

Revenue



Cáin agus Custaim na hÉireann
Irish Tax and Customs

Annual Report | 2019



Our Mission

To serve the Community by fairly and efficiently collecting taxes and duties and implementing customs controls

Annual Report 2019

Ninety-seventh Annual Report of the Revenue Commissioners for the year ended 31 December 2019, including progress on the implementation of Revenue's Statement of Strategy, in accordance with the Public Service Management Act 1997, presented to the Minister for Finance.

June 2020

Contents

Board's Review for 2019	4
Main Results	11
Our Organisational Structure	14
Service to Support Compliance	16
Collecting the Right Amount of Tax at the Right Time	16
Supporting Voluntary Compliance	16
Providing Timely Advice and Support	18
Improved Self-Service Facilities	19
Providing Appropriate and Cost Effective Service	20
Understanding Taxpayer Needs	25
Supporting Tax Policy	26
Brexit	29
Confront Non-Compliance	33
Compliance Programmes	33
Use of Data, Intelligence and Analytics	34
Target and Disrupt Shadow Economy Activities	36
Ensuring fairness, transparency and effectiveness	42
Debt Collection	43
Collaboration	44
Making it Work: Our People and Structures	49
Our People	51
Our Culture	58
Innovation	61
Taxpayer Confidentiality	62
Public Service Reform & Civil Service Renewal	63
Governance	65
Revenue Management Committee at Assistant Secretary Level	68
Financial Management	70
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019	71
2019 Table Index	88
Appendix 1 - Donation of Heritage Items	102
Appendix 2 - Record of properties occupied by Revenue	103

Board's Review for 2019

The COVID-19 pandemic has had a major impact on the Irish economic landscape, and the current business environments in which we find ourselves are in stark contrast to 2019. It is against the backdrop of these exceptional circumstances that we look first at where we are now in 2020, before looking at our key achievements and performance for last year.

The pandemic presents many challenges for the economy, businesses and workers, as well as impacting key elements of our role as a tax and customs administration. Our priority during the crisis is to protect the health of our staff and their families while continuing to provide essential Revenue services and play our part in supporting the delivery of other critical public services to combat the pandemic and mitigate damage to the national economy.

On 24 March 2020, the Government announced a range of measures to provide financial support to businesses and workers affected by the COVID-19 crisis. As part of these measures Revenue administers the Temporary Wage Subsidy Scheme (TWSS).

We advocate the use of real-time reporting to improve efficiencies in the administration of the tax system. Our investment in real-time PAYE Reporting (PAYE Modernisation) meant that, in an incredibly short timeframe and building on data returned to Revenue through real-time PAYE reporting, we re-engineered our PAYE business processing system from one of tax collection to one that also provides much needed financial support to employers and employees that are suffering significant downturn and loss of earnings.

Our priority in administering the TWSS was to ensure that employers experiencing significant negative economic disruption as a result of COVID-19 could register for and start to receive payment as quickly as possible. As at 23 June 2020, over 62,000 employers had registered for the TWSS with an estimated 410,000 employees being supported by the scheme having received a subsidy in their most recent pay period. The cumulative value of payments made to employers under the scheme is €1.6 billion.

We understand the unprecedented situation facing businesses at this time and have provided extensive guidance and advice on our COVID-19 information webpage to assist taxpayers, and their agents, experiencing a range of difficulties caused by the impacts of the COVID-19 pandemic.

We are doing everything possible to support businesses during the crisis and, at the earliest opportunity, on 15 March 2020, provided key advice to businesses experiencing tax payment problems. Since then we have taken a range of actions to assist businesses experiencing cashflow and trading difficulties, including suspending all debt collection and the charging of interest on late payment for the January/February, March/April and May/June VAT periods and February, March, April May and June PAYE (Employer) liabilities. The deferred payments, which amounted to €1.5 billion have been a vital liquidity support to both SMEs (given automatically) and larger businesses (on request) that are severely impacted by COVID-19.

On 2 May 2020, the Government announced that it will legislate to provide that Revenue will warehouse deferred tax debts associated with the COVID-19 crisis. Pending the enactment of the necessary legislation, we are operating the scheme on an administrative basis.

Under the scheme, VAT and PAYE (Employer) tax debts deferred from March while a business is unable to trade or was subject to restricted trading due to the COVID-19 related health restrictions, as well as debts for an additional two months after the business resumes 'normal' trading, will be warehoused for a period of 12 months. There will be no collection of any of the debt in question during this period and no interest will apply.

To avail of the scheme, the tax debt will have to be quantified by the business through the filing of all relevant returns for the restricted trading phase. If a best estimate return of liability has

been made for any period, the correct return will have to be filed to ensure the debt benefits from the warehousing.

At the end of the warehoused 12-month period, a reduced interest rate of 3% will apply on the repayment of such warehoused tax debt until it is fully paid. This compares to a rate of 10% per annum currently charged on overdue VAT and PAYE (Employer) tax debts.

Building on our strong track record of successfully working with viable businesses experiencing tax payment and trading difficulties, we are confident that these measures will support businesses in trading their way back to profitability and to repay the COVID-19 related debt over a reasonable timeframe.

The flexibility, resilience and professionalism of our people has been paramount to our ability to continue to provide essential Revenue services during the COVID-19 crisis. We have adapted well to ensure the continued delivery of our critical business functions and the implementation of new initiatives, while working in new ways.

Our staff have also risen to the challenge of supporting the delivery of other essential public services to combat the pandemic including:

- contact tracing for the Department of Health and the HSE
- processing applications for income support payments for people affected by COVID-19 for the Department of Employment Affairs and Social Protection
- providing essential ICT support to other Government Departments and agencies, and
- making critical printing facilities available in support of the wider response to the pandemic.

The longer-term impacts of COVID-19 means that the flexibility of our structures and staff will help us to continually adapt to the changes and challenges of the economic and business environments.

2019 Review

In 2019, Revenue collected total gross receipts of €84.2 billion including almost €16 billion in non-Exchequer Receipts collected on behalf of other Government Departments and Agencies.

Net Exchequer receipts, after repayments of Exchequer receipts and transfers of non-Exchequer receipts collected on behalf of other Departments and Agencies, were €58.3 billion, an increase of by 6.7% or €3.7 billion on 2018.

We continued to see sustained very high levels of timely, voluntary compliance across all tax heads, reflecting that the vast majority of taxpayers pay the right amount of tax, on time.

2019 was the final year of implementation of our Statement of Strategy 2017 – 2019. Significant achievements in that period include:

- modernising the PAYE system through the development of a real-time framework for the administration of payroll taxes
- providing high quality and secure digital and self-service channels
- implementing a new Debt Management System, providing greater flexibility within our debt management programmes
- delivering a proportionate and effective response to non-compliance, securing future voluntary compliance

- optimising the alignment of our resources with risk
- maintaining high levels of customer satisfaction reflected in taxpayer surveys
- being highly rated as a leading international tax and customs administration.

In 2019, we delivered a range of measures across our two strategic pillars by providing excellent service to support voluntary compliance and implementing a robust response to non-compliance.

Service to Support Compliance

Our agile, innovative and efficient service delivery model ensures we meet the challenges of the continually changing economic and business environments while meeting the needs of taxpayers.

We continued to expand and enhance our range of online services, improving taxpayer experience while minimising the risk of non-compliance. We further developed our programme of pre-populating annual tax returns, provided a new online service that facilitates VAT repayments for unregistered farmers and launched a new online application system for Charities and Sports Bodies.

Modernisation of the PAYE system, and the receipt of real time payroll information enabled us to secure the right tax at the right time and to provide extended online services to PAYE taxpayers in myAccount.

Our Debt Management Services (DMS) application provides a streamlined, flexible service to support viable businesses with tax payments difficulties.

We continued our extensive and detailed Brexit preparedness and contingency planning, actively engaging across all relevant Government Departments and Agencies, and with more than 100,000 businesses.

On an ongoing basis, we contribute to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) proposals to address the tax challenges of digitalisation and international taxation of companies. We worked closely with the Department of Finance on the implementation of a new relief from betting duty and betting intermediary duty as well as Carbon Tax changes and the introduction of a new element of vehicle registration tax (VRT) based on a vehicle's nitrogen oxide (NOx) emissions. We also provided advice and input on policy formulation and draft legislation in respect of the implementation of certain measures that were provided for in Ireland's Corporation Tax Roadmap.

As the Competent Authority for the purpose of resolving any disputes in relation to relief from double taxation that may arise under Ireland's Double Taxation Agreements, we completed 11 Mutual Agreement Procedure (MAP) negotiations, and granted 2 Advance Pricing Agreements (APAs) following negotiations with the Competent Authorities of other countries.

Confronting Non-Compliance

Most taxpayers are voluntarily tax and duty compliant. We support the strong culture of voluntary compliance through our comprehensive, risk-based approach to compliance management.

We respond to non-compliance on a clear risk-focused basis, whereby taxpayer behaviour determines the nature, extent and consequences of our compliance interventions. We continued to strengthen our understanding of the tax and duty compliance behaviour of sectors,

businesses and individual taxpayers, and we challenge aggressive tax planning.

In 2019 we carried out 566,282 compliance interventions ranging from routine assurance checks to audits and investigations. The total yield from these interventions was €547.6 million in tax interest and penalties. Tax settlements amounting to €58.7 million were agreed with 186 taxpayers who were published as tax defaulters.

We are committed to maximising the use of data and the deployment of analytics and risk assessment approaches to identify and effectively manage compliance risk. We make extensive use of third-party information, provided to us in accordance with statutory requirements, by pre-populating tax returns, refining our risk systems and developing analytical tools to conduct sectoral risk assessments and detect tax and duty evasion.

Our determination to challenge all forms of shadow economy and illegal activity and restrict the opportunities for deliberate tax and duty evasion is evidenced by the broad range of interventions conducted which target fraud, illicit trade, smuggling and organised crime. We enhanced our capability to tackle the shadow economy and confront evasion through the launch of our new intelligence gathering and processing system *RevIntel*. We also launched a new tobacco tax stamp as part of our wider strategy to combat the supply and sale of illegal cigarettes, improving our ability to tackle criminal activity in this area. We settled 127 tax avoidance cases and were actively challenging 469 cases of potential tax avoidance at the end of 2019.

Our Debt Management Services (DMS) application has fundamentally reshaped our debt management programme in a way that allows us to speedily adapt our response to customers with tax payment difficulties.

Our People and Structures

We continue to evolve flexible structures to ensure we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance. For example, we reviewed our approach and eligibility criteria for identifying high wealth individuals, which increased the number of taxpayers being managed by our Large Cases – High Wealth Individuals Division from 478 to 2,000.

Our staff are fundamental to everything we do, and we rely on their skills, capability and professionalism to deliver on our goals and objectives. At the end of 2019, there were almost 7,000 permanent staff working in Revenue, equating to 6,619 full time equivalents. During the year, we appointed 1,092 staff across all grades from open recruitment, interdepartmental and Top Level Appointments Committee competitions.

We support our people through meaningful communication and engagement that is based on shared values and objectives. Key components of this support include promoting health and workplace wellness, fostering a culture that aligns with our core values and providing opportunities for continuous personal and professional development. We offer a wide range of comprehensive training programmes and during 2019 provided 46,415 training days to staff, an increase of 16% on 2018.

Our support of, and investment in, our staff ensures our people, as well as our structures, are adaptable and flexible and can respond effectively to the changes and challenges in business environments.

Looking ahead

As we look to the future, we are confident that the development of our *Statement of Strategy 2020 – 2022*, provides a strong framework for achieving our goals and objectives for the next three years, even against the backdrop of significantly changed economic and business environments.

The collection of taxes and duties remains our core task. We will continue to innovate and adjust to new ways of working to ensure we enable and support high levels of voluntary compliance, while also ensuring a clear risk-based, timely and effective focus on non-compliance

We will work closely with the Minister for Finance and his Department in the development and implementation of measures that supports both the capacity of businesses to resume trading as well as the national recovery, post COVID-19.

In collaboration with colleagues across Government we will continue to prepare for, and manage, the impact of the UK's exit from the EU. Regardless of the nature of the future trading agreement between the UK and the EU, we will implement customs controls in a manner that encourages legitimate trade, enhances competitiveness and supports business while managing compliance risks.

The international tax agenda continues to evolve, and we will continue to work closely with the Department of Finance on EU and OECD proposals to address the tax challenges of digitalisation and international taxation of companies. We will help to shape outcomes that protect Ireland's reputation and minimise the compliance and administrative burden on taxpayers.

Our continued success in delivering on our mission and the part we will continue to play in supporting the delivery of critical public services to combat the pandemic and mitigate damage to the national economy is down to the determination and dedication of our people, and their ability to adapt quickly and effectively to changes and challenges. We thank them for their professionalism and dedication.



Niall Cody
Chairman



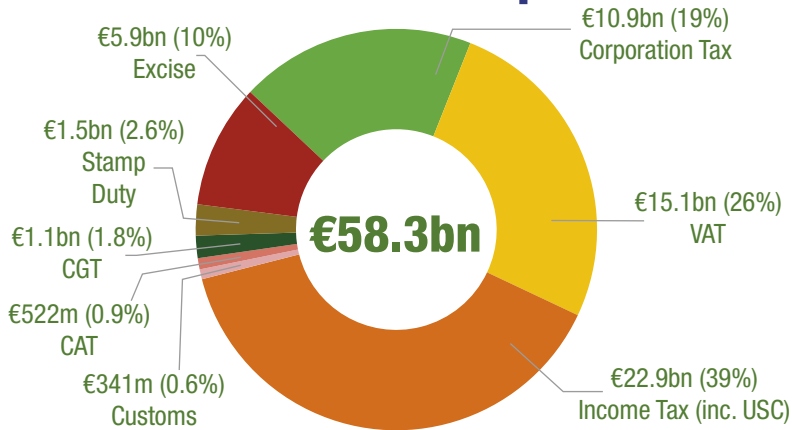
Gerry Harrahill
Commissioner



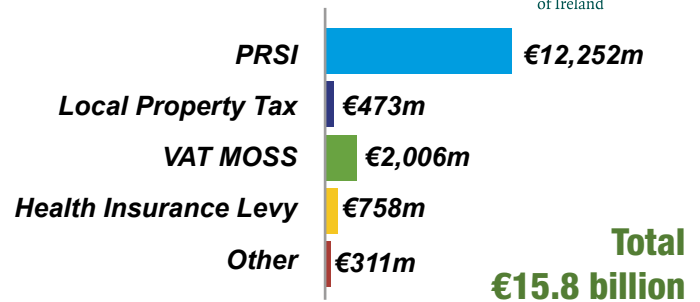
Michael Gladney
Commissioner

Headline Results 2019

Net Tax Receipts



Collection for other Departments & Agencies



Customer Contacts



National Helplines **2.7m**

Correspondence **1.5m**



Electronic Returns **5.8m**

Electronic Payments **2.6m**



Electronic Self Service **1.4m**

Timely Compliance



Large Cases **99%**

Medium Cases **98%**

Other Cases **91%**



Debt Payment Arrangements

6,358 with a value of €73m

Supporting compliance for 3.2 million employments, 0.2 million employers, 1 million businesses, 0.3 million VAT traders and 1.4 million property owners

Preparing for Brexit



552

Staff appointed to Brexit-related roles



103,114

Individual businesses written to with Brexit preparatory advice



1,758

Attendees at 11 Revenue hosted trade seminars delivered across the country



28,794

Individual Businesses engaged with via telephone campaign



24,118

Economic Operator and Identification (EORI) Registrations

566,282 Audit and Compliance Interventions Completed, Yielding €547.6 million

Tax Defaulters

679 cases published with fines / penalties amounting to **€3.2m**

186 Settlements published

Serious Evasion & Fraud Convictions

15

Customs / Excise Detections / Seizures

19,281



Debt Enforcement

63,722 cases

€274.2m yield

Auto & Marked Fuel Oil

24 Commercial Seizures

222 Vehicles Seized



PAYE Modernisation

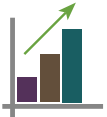
The introduction of real-time reporting from 1 January 2019 is the most significant reform of the PAYE system since 1960.



PAYE Modernisation ensures the right amount of tax is deducted and returned at the right time



- P45/P35/P60/P30 forms abolished
- P60 replaced by Employment Detail Summary



€31.6 billion collected in 2019 (Income Tax, USC and PRSI)

€290m PAYE surplus over target 2018

€178m PAYE surplus over target 2019



- Instant access for employees to their real-time pay and deductions
- 2.75 million Tax Credit Certificates issued for 2020
- End of year statements available for all employees in myAccount
- Pre-Populated Income Tax Returns

Survey of Employers

89%

Agree PAYE Modernisation makes it easier to submit tax returns and payments for their employees

78%

Agree that PAYE Modernisation means payroll takes less time

70%

Agree that Revenue's 2018 outreach programme assisted preparations for new regime

PAYE Modernisation in Numbers



181, 631 Employers making submissions Including Pension Providers



80.9m Payslips received



2.8m Active Employments Including Occupational Pensions

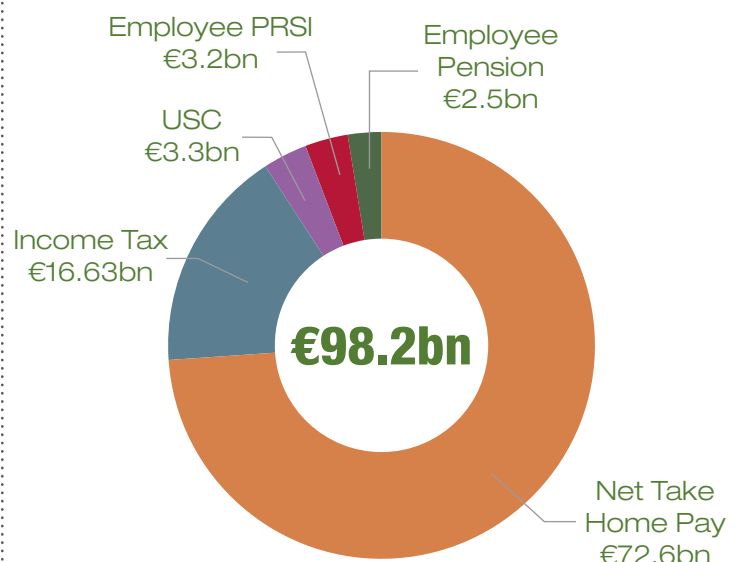


€98.2bn Gross Pay and Pensions Reported



6.1m Payroll Submissions

Distribution of Gross Pay and Pensions



myAccount

Over 191,000 people have used the Employee Online View

Register now at www.revenue.ie/myaccount

Main Results

Collection and Compliance

- Net Exchequer receipts for 2019 were €58.3 billion, up 6.7% on 2018 receipts (Table 2)
- €15.9 billion in Non-Exchequer receipts was collected on behalf of other agencies, including €12.2 billion in PRSI (Table 1)
- 98% return/payment compliance rates for medium sized businesses with very high compliance levels maintained overall (Table 8)
- 97% compliance rate for Local Property Tax (LPT) 2019 was achieved (Table 3)

Managing Debt

- Debt available for collection was €917 million, down €115 million (11%) on 2018
- Debt available for collection as a percentage of gross receipts was 1.09%, down from 1.34% in 2018
- 6,358 businesses and individuals had phased payment arrangements in place at the end of 2019, covering €73 million in debt

Service to Support Compliance

- 2.6 million electronic payments (up 9.4%) made to Revenue with a value of €64.8 billion (up 0.2%) (Table 3)
- 1.3 million electronic repayments to taxpayers with a value of €8.2 billion (Table 3)
- 5.8 million electronic returns received (Table 3)
- 2.4 million telephone calls answered (Table 3)
- 1.5 million items of correspondence (letters, secure email, online enquiry, etc.)
- 1.7 million customs declarations processed
- 2.6 million individual taxpayers were registered for myAccount at the end of 2019

PAYE Modernisation

- 8.4 million Revenue Payroll Notifications (RPN's) requested
- 6.1 million successful payroll submissions
- 181,631 employers (including pension providers) making submissions
- 2.8 million active employments
- 98.2 billion gross pay and pensions reported
- 2.75 million Tax Credit Certificates issued for 2020

Brexit Trader Engagement

- 103,114 letters issued to businesses trading with the UK
- 28,794 individual businesses engaged with via telephone campaign
- 1,758 attendees at 11 Revenue hosted trade seminars delivered across the country
- 24,118 Economic Operator Registration and Identification (EORI) numbers registered

Confront Non-Compliance

- €547.6 million in yield from audit and compliance interventions — €222.6 million from audits and investigations and €325 million from non-audit interventions (Table 11)
- €29 million in yield, including interest and penalties, arising from settlements in 127 tax avoidance cases
- €58.7 million in tax settlements were agreed with 186 taxpayers and published in Iris Oifigiúil in 2019 (Table 14)

Seizures

- 10,279 drug seizures valued at €23.6 million (Table 16)
- 13.4 million cigarettes and 3,564kgs of tobacco seized, valued at €8.6 million and €2 million respectively (Table 17)
- 1,565 vehicles seized
- 99,895 litres of illicit fuel seized
- 52 cash seizures amounting to €809,896
- Cash forfeiture orders amounting to €587,367 granted by the Circuit Court in 37 cases
- 259 gaming machines seized in 2019

Prosecutions/Penalties

- 15 criminal convictions for serious tax and duty evasion (Table 20)
- 679 convictions and fines amounting to €2.8 million secured in respect of a range of summary offences (Table 20)
- €2.8 million arising from 704 penalties for non-filing of returns (Table 21)

Playing Our Part Internationally

- 74 Double Taxation Agreements signed (73 in effect) and 26 Tax Information Exchange Agreements (TIEAs) in effect at the end of 2019
- Completed ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI)
- 1,901 requests for mutual assistance received and 672 requests issued by Revenue (Table 22) including in relation to resolving double taxation issues (other than transfer pricing issues)

- 11 Mutual Agreement Procedures (MAPs) completed following engagement with Competent Authorities of other jurisdictions to eliminate double taxation in relation to international tax disputes (MAPs) and 2 Advance Pricing Agreements (APAs) granted to prevent transfer pricing disputes arising (Tables 23 & 24)

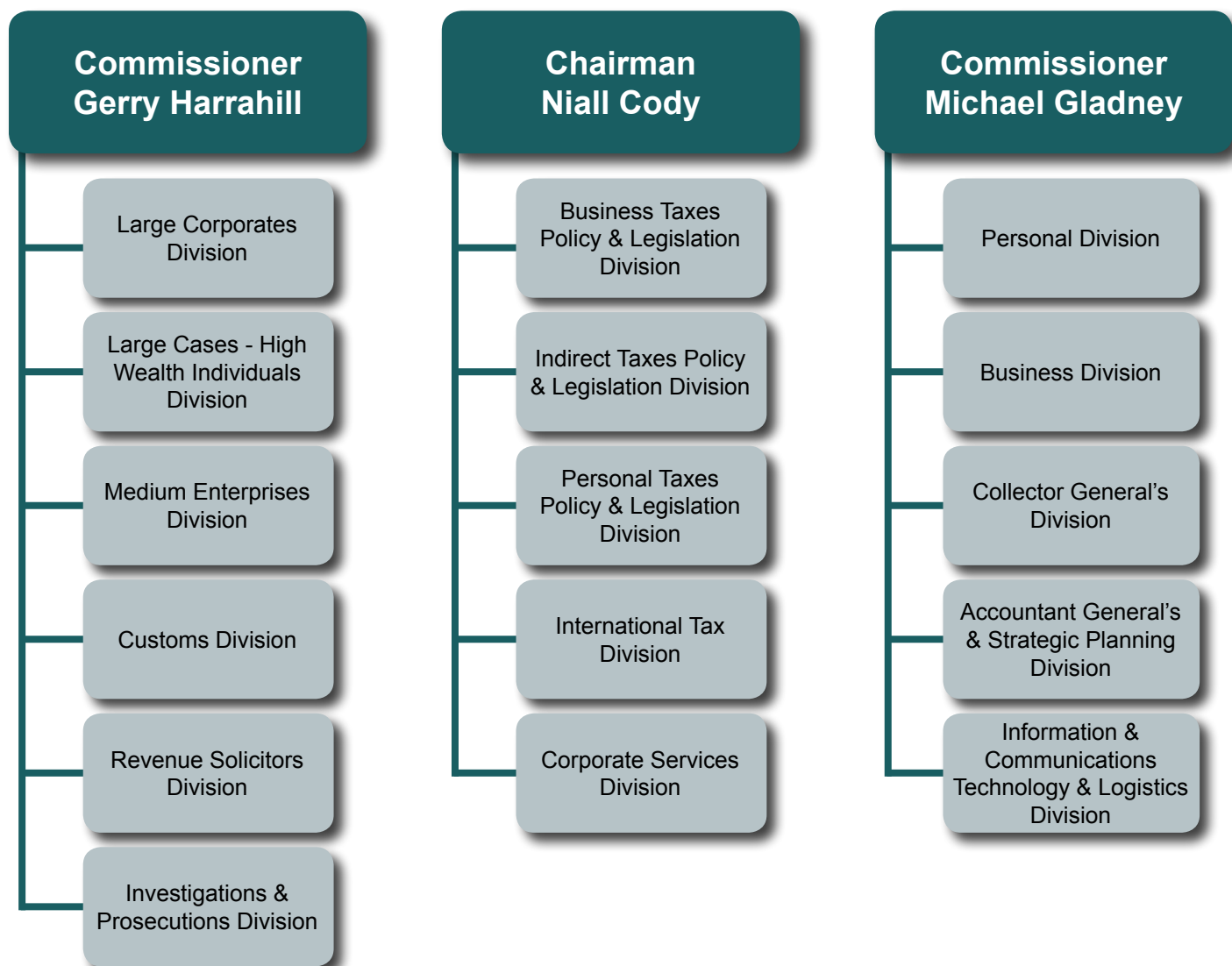
Benchmarking Our Performance

- Ireland was the most effective country in the EU in which to pay business taxes and 4th most effective worldwide, maintaining our position from last year, according to the PwC / World Bank Group Paying Taxes 2020 report¹, published in November 2019
- Ireland ranked in the top 20% worldwide for “Border Clearance Efficiency” in 2019 according to The Global Competitiveness Report 2019², published by the World Economic Forum in October 2019.

¹ <https://www.pwc.com/gx/en/services/tax/publications/paying-taxes-2020.html>

² <https://www.weforum.org/reports/global-competitiveness-report-2019>

Our Organisational Structure



Management Advisory Committee

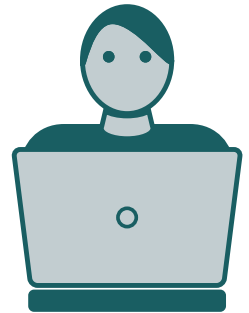
Service To Support Compliance

myAccount

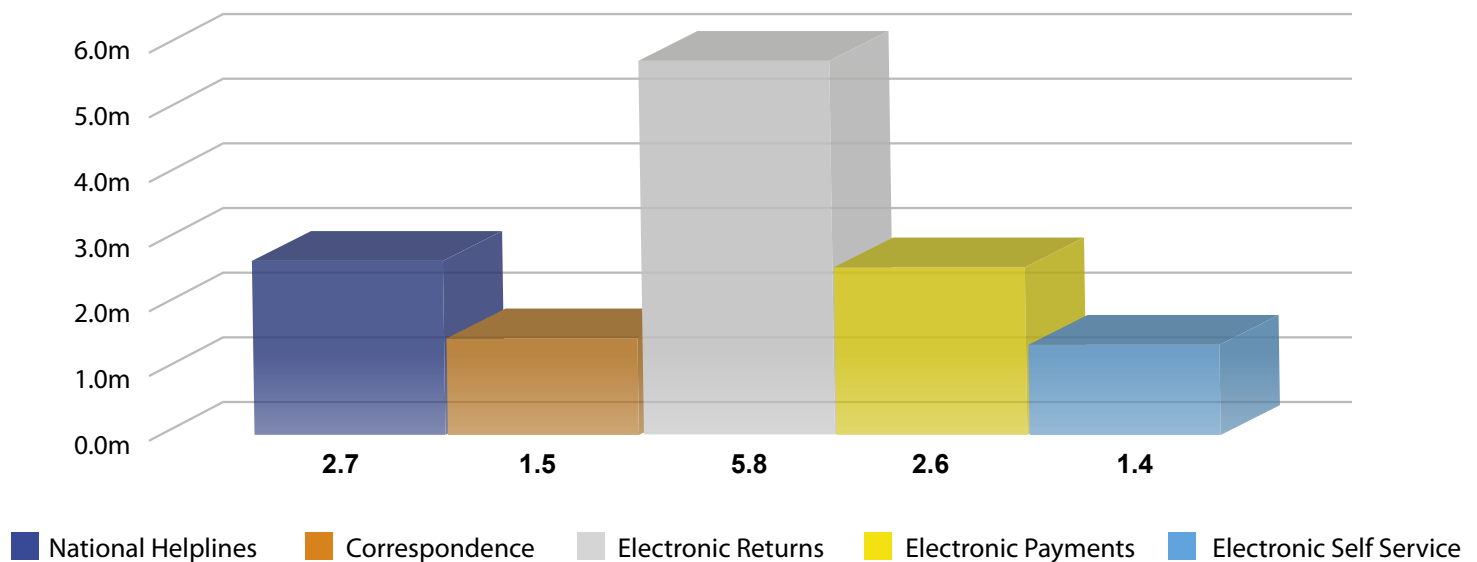
2.6m Individual taxpayers registered

Self-Assessment

36,964 New Registrations
793,221 Registered for Income Tax



14 Million Customer Contacts in 2019



PAYE Modernisation



Civil Service
Excellence & Innovation
Awards
2019

Customs Trade Facilitation

1.7m Customs Declarations

68,874 Customs Interventions



Debt Payment Arrangements

6,358 with value of **€73m**

Service to Support Compliance

Our role is to fairly and efficiently collect taxes and duties and implement customs controls. We therefore play a vital role in the economy by securing tax and duties due to the State.

We deliver on this core task of collecting taxes and duties through the provision of excellent service to support voluntary compliance. Our service delivery model is agile, innovative and efficient ensuring we meet the challenges of the continually changing economic and business environments, while meeting the needs of our taxpayers.

We make it as easy as possible for taxpayers to be voluntarily compliant. We achieve this by:

- delivering quality service across a range of delivery platforms in a cost-efficient way
- continuing to exploit opportunities, such as real-time reporting and pre-population of tax returns, to improve the taxpayer experience and minimise the risk of inadvertent non-compliance
- ensuring our service delivery model results in the right outcome for taxpayers and Revenue
- seeking to minimise compliance costs for taxpayers
- reducing the need for taxpayers to contact us.

Collecting the Right Amount of Tax at the Right Time

Revenue collected total gross receipts of €84.2 billion in 2019, including almost €16 billion in Non-Exchequer receipts collected on behalf of other Departments, Agencies and EU Member States (Table 1).

Net Exchequer receipts of €58.3 billion were up by 6.7% or €3.7 billion on 2018, with the largest tax receipts arising from Income Tax (39% or €22.9 billion), VAT (26% or €15.1 billion) and Corporation Tax (19% or €10.9 billion) (Table 2).

Non-Exchequer net receipts of €15.8 billion included €12.2 billion in respect of Pay Related Social Insurance (PRSI) and €758 million in respect of Health Insurance Levy. It also included €473 million in respect Local Property Tax (LPT), a tax administered and collected by Revenue with net receipts transferred to the Local Government Fund.

2019 saw continued very high levels of timely, voluntary compliance across all tax heads (Table 5), reflecting the fact that the vast majority of taxpayers do the right thing and pay the right amount of tax, on time. Timely compliance rates in 2019 were over 98% for large and medium cases and 91% for all other cases (Table 6). The Local Property Tax compliance rate was 97%.

Total debt was €4,301 million gross, and debt available for collection compared to 2018 decreased by 11% to €917 million gross. The value of debt written off as uncollectable was €144 million. In 2019, we facilitated 6,358 businesses and individuals with phased payment arrangements covering €73 million of debt.

Supporting Voluntary Compliance

We support taxpayers by giving them the appropriate information and guidance, and making it as easy as possible, to be voluntarily compliant.

A key element of our role is to proactively assist taxpayers in meeting their tax obligations.

During 2019, we achieved this through a number of initiatives including providing appropriate and targeted information and support to taxpayers, working with business representative bodies to improve service and making it as easy as possible for taxpayers to understand their compliance obligations, claim their entitlements and manage their tax.

We proactively help taxpayers to pay the right tax at the right time and **claim entitlements**. This is evidenced by our ongoing targeted promotional campaigns and, in particular, our annual campaign to remind PAYE taxpayers of the four-year time limit for claiming tax credits and reliefs.

Since 2015, we have carried out a yearly campaign to increase taxpayers' awareness of their entitlements and ensure they only pay the correct amount of tax and to remind them that there is a four-year time limit for submitting claims. In November 2019, we wrote to over 134,000 PAYE workers who had paid tax in the past four years without claiming any additional credits or reliefs. The campaign highlighted the deadline for 2015 claims (31 December 2019) and encouraged taxpayers to use our online services to claim their entitlements.

These campaigns have effected a strong positive response from taxpayers, prompting many to claim entitlements or declare additional income. Analysis of our 2018 campaign indicates that 14% of the taxpayers contacted claimed an entitlement, requested a review of their tax position or declared additional income within 6 months of receiving the letter. As a result of these claims we refunded €32.1 million while declarations of additional income resulted in additional tax paid of just under €1 million.

A similarly positive impact is evident for our 2019 campaign: initial analysis shows that, over the course of November and December 2019, those contacted submitted over 30,000 PAYE Income Tax Returns for 2015, representing 7% of the total submitted for that year. In the same period the taxpayers contacted submitted more than 85,000 PAYE Income Tax Returns for the years 2016 – 2018. Since those contacted had not claimed any entitlements or declared additional liabilities in the previous four years, we can be reasonably confident that the decision to submit PAYE Income Tax Returns was a direct result of the reminder letter and the accompanying media campaign.

We support and facilitate high voluntary compliance levels by **providing quality, tailored, clear and consistent information** to taxpayers and their agents, representatives and industry bodies. In addition to traditional information platforms such as our website we continue to improve taxpayer experience and minimise the risk of non-compliance through collaborative engagement. Some examples of our engagement via a range of fora and events are outlined in the following paragraphs.

We continue to actively engage with Financial Institutions through various industry fora, to ensure compliance with **Automatic Exchange of Information** reporting requirements. In 2019, we delivered a presentation to the Irish Funds Annual Conference as part of our engagement strategy to improve awareness, timeliness and quality of reporting by Financial Institutions.

During 2019, we engaged with the Public Services Sector holding four **Public Bodies Seminars**. Representing Government Departments were the Education Sector, the Health Sector and Local Authorities. In total, approximately 250 delegates representing a total of 152 public bodies were in attendance. The seminars outlined the current tax risks in each sector, relevant developments such as PAYE Modernisation and Brexit and the specific Revenue supports available to assist voluntary compliance.

During 2019 we also provided information sessions and presentations at a range of business events including:

- ‘Springboard Programme’ advice clinics, as part of support events run by Local Enterprise Office’s (LEO’s) for entrepreneurs
- Local branches of ACCA and ACA
- ‘Diaspora Project Workshop’, as part of an event run by Donegal County Council to support returning emigrants relocating business to Ireland.

Providing Timely Advice and Support

In certain circumstances, taxpayers and their agents may formally contact Revenue to seek an opinion or confirmation where there is a doubt in relation to the application of tax law for specific transactions or situations. The **Revenue Technical Service (RTS)** is the mechanism for this engagement.

In recognition of the strategic importance of the RTS to taxpayers and their agents, in 2019 we set up a dedicated team to ensure the delivery of a more efficient and effective service.

The RTS, in so far as it applies to cases which are not large cases, is now delivered on a national basis by this team. Under this new structure there is a dedicated *Query Management Team* which ensures a consistency of approach to queries and enhances communication channels with the taxpayers and/or agents using the service. Marked improvements in service delivery were achieved during 2019. For example, the number of open cases at the end of 2019 decreased by 46%, when compared to 2018. In addition, for 2019 there was an 11% improvement regarding the number of queries dealt with within 20 days, when compared to 2018.

During 2019, the total number of opinions/confirmations provided through the RTS was 409.

As part of the business process for RTS, we identify opportunities to enhance and update our guidance material which is available on our website. Throughout 2019, on foot of RTS queries received, updates were made to our *Tax and Duty Manuals* across a broad and diverse range of subject matters. This enhanced guidance material in turn facilitates voluntary compliance and eliminates the need for taxpayers or agents to submit a technical query on an identical issue.

In January 2019, we issued a reminder (eBrief No. 12 of 2019) of the maximum five-year validity period of Revenue opinions and advised that opinions provided between 1 January and 31 December 2013 were subject to review. Taxpayers wishing to continue to rely on such opinions were required to make an application for its renewal or extension on or before 29 March 2019. We received applications to renew or extend 12 such opinions.

As distinct from the opinions/confirmations provided through the RTS, **Relevant Tax Opinions** are those that are provided to companies and other entities only (not to individuals or for the benefit of individuals) and in respect of direct taxes only (e.g. Corporation Tax, Business Income Tax, Stamp Duty, CGT). During 2019, we provided 194 such opinions on complex technical issues to companies and other entities (Table 10).

In March 2019 we launched our new Debt Management Services (DMS) application which provides a more streamlined service to support viable businesses with tax payment difficulties through an **Online Phased Payment Arrangement facility**. This service is available 24/7, provides up to date information on liabilities and outstanding returns and guides the taxpayer through the application process to secure a phased payment arrangement. In 2019, we processed 4,950 phased payment submissions made via the new online facility. Once approved, taxpayers have considerable flexibility to self-manage the payment schedule in

line with changing business needs. At the end of 2019, a total of 6,358 phased payment arrangements were being actively managed through the DMS system.

For our large corporate groups, we promote and operate a policy of cooperative compliance through our **Cooperative Compliance Framework (CCF)**. The objective is to manage our relationships with large corporate businesses so that we work together to achieve the highest level of voluntary compliance across all taxes and duties. The CCF offers participating corporate businesses regular dialogue with us, helping to provide long-term certainty in relation to tax and duty exposures, and an ability to predict with reasonable confidence what our position will be on any particular aspect of tax and duty obligations. As part of CCF, risk review meetings are held with participating businesses annually. At the end of 2019, 116 corporate groups are working with us in CCF and arising from both these meetings and other engagements under CCF, disclosures in the region of €20 million were made by these groups.

Improved Self-Service Facilities

Our goal is to tailor our service model to suit the needs of our taxpayers, making it as easy as possible to be voluntarily compliant. We are continually expanding and enhancing the range of online services that are available on a 24/7 basis, meaning taxpayers and businesses can manage their interaction with us at a time that suits them best and in a cost-effective way.

In 2019, we started the process of migrating the full suite of share scheme returns from paper to online. To facilitate this change we developed a **Share Scheme Reporting Obligation** facility within ROS. In June 2019, the RSS1 (Return of Share Options and other Rights) and KEEP1 (Key Employee Engagement Programme) returns were made available for online submission via ROS.

To further enable voluntary compliance and minimise the burden on compliant taxpayers, we have developed a system of **pre-populating annual tax returns** (Form 11, Form 12, CT1) using data from a range of sources. This makes it easier for taxpayers to complete tax returns, minimises the scope for errors and omissions, reduces the need to contact us directly and speeds up the process of filing a tax return.

The extensive range of data we now use to pre-populate tax returns includes:

- employees' gross pay earned, tax and USC deducted, as reported by employers
- data on pensions and other benefits provided by the Department of Employment Affairs and Social Protection (DEASP)
- data on payments to subcontractors sourced from Relevant Contract Tax (RCT) returns (mainly relates to the construction sector)
- Home Renovation Incentive (HRI) tax relief information returned by contractors carrying out qualifying renovations
- data on EU scheme payments to farmers and other beneficiaries provided by the Department of Agriculture, Food and the Marine.
- data on Housing Assistance Payments made to landlords by local authorities
- data on tenancies registered with the Residential Tenancies Board.

myAccount is a single access point to our secure online services for individuals. It is available 24/7, year-round and is fully accessible on all mobile and smart devices. It provides the quickest, easiest and most convenient way for individuals to access their tax records and manage their tax obligations.

The reform of the PAYE system, and in particular the receipt of real time payroll information, has enabled us to provide extended online services to PAYE taxpayers in MyAccount. For example, in 2019 we provided PAYE taxpayers with the facility to view their current year pay and deduction details as reported by their employer. Further information on our extended online services for PAYE taxpayers is included in the PAYE Modernisation article on page 22.

Farmers who are not registered for VAT may reclaim VAT incurred on certain expenditure, including the construction of farm buildings, land reclamation and fencing. In January 2019, we provided a new online service that facilitates **VAT Repayments to Unregistered Farmers**. The repayment service is available in both ROS and myAccount and has resulted in a reduction of 40% in time taken to process repayment claims when compared to 2018. In 2019, we processed almost 37,000 VAT repayment claims submitted online through this new service with over €83 million refunded to farmers.

In December 2019, we launched a new **online application system for Charities and Sports Bodies** that allows such entities to apply online for tax exemption, for the Charitable Donation Scheme (charities only) and to notify Revenue of a charity or sports body ceasing to operate. Available in ROS, the new system provides an easy application process and a facility to monitor the progress of an application. Maximising the use of automation in the design has led to an improved service for taxpayers, reduced processing times for applications, generally by over 60%, and has resulted in the improved use of our resources. With manual procedures eliminated, there can be a same-day turnaround process for complete applications.

Providing Appropriate and Cost Effective Service

Our **online and self-service facilities** are available 24/7, year-round, and are the quickest, easiest, most convenient and cost-effective way for the majority of taxpayers to manage their tax affairs. However, we fully appreciate that not all taxpayers are able to avail of, access or use these services.

Taxpayers can correspond with us by post or use our **appointment service** which is now available in 18 public offices. Making an appointment eliminates waiting times and allows taxpayers to choose a time convenient for them to meet with a member of our staff. We assisted over 96% of taxpayers in respect of their queries at the time they sought an appointment, removing the need for them to take the time to attend a Revenue office in person.

In 2019, we moved the operation of our PAYE and Business Taxes **telephone service** from a regional basis to a national basis, aligning our telephone service delivery model to the our organisational structure. This approach means our service for compliance teams across the country can deal with any taxpayers contacting us, regardless of their location. Additionally, all our phone services have now migrated away from costly 1890 numbers to lower cost (01) national numbers, thereby reducing costs for those contacting us.

We actively monitor these busy contact channels, matching our resources to expected demand to strive to provide an efficient service to taxpayers. We evaluate the quality of our responses and we continue to invest in staff training and development to provide a comprehensive and professional service and to meet our key deliverable of resolving the issue for the taxpayer at the first point of contact.

We are actively committed to **reducing the compliance burden on taxpayers with small amounts of self-assessed income**. Last year we outlined the findings of our taxpayer survey which specifically sought the views of taxpayers who have small amounts of self-assessed income (i.e. income from self-employment). Actioning the survey findings, we analysed our case base with a view to identifying taxpayers who could meet their tax filing obligations in a simpler manner. Arising from our analysis we identified taxpayers who were completing the longer and

more detailed Income Tax Return (Form 11) and who could file the shorter and simpler Income Tax Return available in myAccount.

As an initial step we wrote to over 700 taxpayers advising them that we were ceasing their income tax registration and providing them with additional information to assist them in meeting their tax obligations in a simpler manner. Based on Income Tax returns filed for the last three years, we have identified a further group of taxpayers for more simplified income tax filing options. Pending further analysis, we hope to reduce the compliance burden for these taxpayers in due course.

PAYE Modernisation

Our PAYE Modernisation delivered the most significant reform of the Pay As You Earn (PAYE) System since it was first introduced in 1960. Since 1 January 2019, employers and pension providers are reporting details of employees' and pension recipients' pay and statutory deductions to Revenue every time they are paid. These changes have brought about significant efficiencies and improvements in accuracy and transparency for some 180,000 employers and pension providers, 2.6 million employees and pension recipients, and for Revenue. During 2019, employers and pension providers made 6.1 million payroll submissions, reporting gross pay and pensions of €98.2 billion.

Income tax, USC and PRSI deductions reported through the system totalled €31.6 billion for the year, which represented a €178m surplus on the 2019 target. Revenue actions following the implementation of PAYE Modernisation (from 1 January 2019) have directly delivered additional Income Tax collection of an estimated €52 million from employers in 2019.

Employer satisfaction with PAYE Modernisation is reflected in the results of a survey of employers we carried out during 2019. For example, 78% of employers agreed that payroll now takes less time, while 80 per cent agreed that payroll runs more smoothly because of the new system. Further details are available on page 26.

The reform of the PAYE system, and in particular the receipt of real time payroll information, has enabled us to provide extended online services to employees through myAccount, including:

- During the year, the facility for employees to view the pay and tax details reported by their employer in real time. This provides transparency to employees that the deductions made by their employers have been reported to Revenue and for their social insurance contributions onwards to the Department of Employment Affairs and Social Protection.
- When required, a summary of periodic pay and statutory deductions can be requested. This is a secure document that an employee can provide to any person or body, such as a financial institution, a solicitor or local authority, as proof of income or tax paid for the purposes of applying for a loan, mortgage, grants etc.
- At the end of year, an Employment Detail Summary which contains the employee's pay and statutory deductions for the year as reported by their employer or pension provider. The details are always available to the employee and can be saved as a document to view or print if required. The document can be used as proof of income where required by third parties.
- At the end of year, a preliminary end of year calculation that shows every employee if they have paid the correct amount of tax and USC for the year. It is based on the information held on Revenue's records. Employees can claim additional credits, such as Health expenses, or declare additional incomes, and a Statement of Liability will be issued along with any refund of tax or USC if applicable.

At the end of April 2020, we had received over 583,000 returns from PAYE taxpayers, representing an increase of 50% when compared to the same period last year. We had also issued refunds to 545,000 taxpayers to the value of €302 million. Over 270,000 employees have created an Employment Detail Summary and 284,000 employees have viewed their pay and tax in year.

We extended our ICT infrastructure to support the creation of over 3.2 million preliminary end of year calculations for 15 January 2020. This enhanced infrastructure ensures any updates to an employee record will result in a real time updated calculation which is visible to the employee via myAccount.

From its announcement in October 2016 to its go-live in December 2018, PAYE Modernisation took over 2 years to deliver and was the biggest cross-Divisional project ever undertaken by Revenue. At its height, around 100 Revenue staff and external contractors were working fulltime on the project.

Civil Service Excellence and Innovation Awards Winner 2019 in the 'World Class Civil Service' category



Photo shows (L-R): Martin Frazer, Secretary General of the Department of the Taoiseach, Paschal Donohoe, Minister for Finance and Public Expenditure and Reform, Conor McDonough, Michelle Carroll, Brid Reddan, Marie McGuirk, Sinead Sweeney and Lucy Fallon Byrne, Director for Reform and Delivery Office, DPER.

The 2019 Civil Service Excellence and Innovation Awards took place on 19 November 2019 at a ceremony in St Patrick's Hall, Dublin Castle. This year we had two shortlisted nominations:

- Sugar Sweetened Drinks Tax – High level policy design through to implementation
- PAYE Modernisation

We were delighted to achieve success in the World Class Civil Service Category for our “PAYE Modernisation” project. The project delivered the most significant reform of the PAYE system since its introduction in 1960. The changes mean that every time employers or pension providers pay their employees or pension recipients, they now report the pay and statutory deductions details to Revenue in ‘real-time’. This transformation responds to the complexities of today's employment patterns, reduces the administrative burden by abolishing forms such as the P35, P30, P45, and P60, leverages technological advances and increases the transparency to taxpayers. ‘Real-time’ PAYE was delivered on a single go-live date for all employers and pension providers and is now seamlessly integrated into the payroll process, streamlining business processes and reducing costs. In addition, taxpayers now have simplified online services and can view their pay/pension and deductions data as reported by employers or pension providers in myAccount.

Women in IT Awards 2019



Photo shows (L-R): Kathriona Devereux, Host, Ruth Kennedy and Olena Redrugina, Transformation and Change Manager, Vizor Software.

Following the success of the PAYE Modernisation project in the World Class Civil Service category of the *Civil Service Excellence and Innovation Awards*, Ruth Kennedy's role in this project was recognised with the *Transformation Leader of the Year Award* at the recent Women in IT Awards Ceremony. The Women in IT Awards programme highlights the women who are paving the way in technology.

The judges noted that Ruth had an enormous task at hand in transforming a system with an impact on 2.6 million people across the country. Working to tight deadlines, the cohesive way in which Ruth brought together multiple stakeholders (internal and external) and her can-do attitude in the light of an enormous challenge, made her the Transformation Leader of the Year.

Understanding Taxpayer Needs

We continually engage with taxpayers to understand their differing and evolving needs. We also engage with agents, industry and business representatives through a range of initiatives and forums, to collaborate, support, advise, listen and learn. This helps us tailor our service strategies, contact channels, systems and support services to achieve high levels of voluntary compliance.

As part of our **Outreach Programmes** we attend a number of events where our staff offer information, support and advice services to individual taxpayers and businesses. These events include the *Ideal Homes Exhibition*, the *National Ploughing Championships*, the *Construction Expo* and *Taking Care of Business*.

We established an on-going outreach programme with the *Citizen's Information Clinic (CIC)* in Dundalk. Once a month, our staff provide advice on tax matters to members of the public, while also using the opportunity to appraise *CIC* staff on any significant Revenue developments such as the changes to the PAYE system. Initially piloted two years ago, the programme has now become a regular customer engagement opportunity for us, assisting 145 *CIC* clients throughout the course of 2019. Extending the service to other Citizen's Information Clinics is under active consideration.

On an on-going basis, we engage and consult with a range of **practitioners and business representative bodies**. For example, through the *Tax Administration Liaison Committee (TALC)* we discuss, review and recommend practical changes to achieve a more effective and efficient administration of the tax system.

We are also a constructive participant in the Personal Insolvency process and have representation on both the *Insolvency Service of Ireland (ISI) Consultative Forum* and the *Protocol Oversight Committee*.

Additionally, we are represented on the *Company Law Review Group (CLRG) Corporate Insolvency Subcommittee*. This committee is tasked with reviewing company law within the corporate insolvency regime to ensure it addresses all stakeholders' concerns and is fit for purpose. In 2019, the committee was tasked with a request from the Minister for Business, Enterprise and Innovation to undertake a review of the regulation of receivers. This included a review of receivers' supervision and qualifications, the information they should provide to the company and its creditors on the management of the business/progress of the receivership and transparency of receiver's fees.

The **Customs Consultative Committee (CCC)** continues to provide a two-way forum for us to consult and exchange views on the customs treatment of imports and exports with representative organisations. The collaborative forum reviews developments and proposals in the customs area, particularly at EU level, and aims to support Ireland's competitiveness by advising on the design of customs regimes in Ireland that will facilitate legitimate trade to the greatest extent possible. The focus of discussion in 2019 was on preparations for Brexit at national and EU levels, IT updates and highlighting procedures and simplifications available under the Union Customs Code (UCC) in order to assist legitimate trade and facilitate the efficient movement of goods. 2019 also saw the commencement of engagement with trade on the release of our new national *Automated Import System (AIS)*. By taking advantage of modern and innovative technology *AIS* will enable Revenue to facilitate the legitimate trade of goods, limit fraudulent and non-compliant activity, adapt to changing legislation, and improve the overall effectiveness of our customs solutions delivering public service for the future.

We have conducted annual **taxpayer surveys** over the past decade to better understand taxpayer behaviour, taxpayers' expectations of us and their satisfaction with the service we provide. In 2019, we conducted a survey of employers. As well as general satisfaction of

employers, the survey also sought their views on the introduction on PAYE Modernisation.

The results show that overall taxpayer satisfaction with the service we provide is high, with 75% of employers saying they were satisfied or very satisfied (a further 20% indicated they were somewhat satisfied). Employers were also asked if they experienced an improvement in our customer service in the previous year: 43% reported an improvement, just over half reported no change and 3% reported a deterioration in customer service. Other key findings include that 87% of respondents found our website easy to use and 71% were satisfied that our response to tax payment difficulties was fair (a further 20% indicated they were somewhat satisfied).

These satisfaction rates are in line with those reflected in our surveys of small to medium sized businesses, PAYE taxpayers and tax advisors/agents conducted in recent years, as well as customer satisfaction surveys conducted for the Civil Service overall.

The survey results in relation to PAYE Modernisation are discussed on page 22 and a report on the survey is published at <https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/index.aspx>.

Supporting Tax Policy

We continue to work closely with the Department of Finance in contributing to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) proposals to address the tax challenges of digitalisation and international taxation of companies. This includes providing statistical and economic analysis and costings to the Department of Finance as well as to the Government and the Oireachtas.

We worked closely with the Department of Finance on the development of a new relief from **betting duty** and **betting intermediary duty** in a manner that supported tax administration and complied with EU State Aid rules. The new relief came into effect from 1 January 2020 and allows persons liable to betting duty (bookmakers and remote book makers) and betting intermediary duty (remote betting intermediaries, also known as betting exchanges) to reduce their tax liability by claiming a relief from such duty subject to a limit of €50,000 in a calendar year.

We continue to support and play an active part with the Department of Finance in the development of climate action policies. The Government Climate Action Plan 2019 contained a commitment to implement a **Carbon Tax** rate of at least €80 per tonne of CO₂ emitted by 2030. The Finance Act 2019 made provision for Carbon Tax increases of €6 per tonne of CO₂ emitted, taking the rate to €26 per tonne. This was translated into commodity specific tax increases across a range of fuels, including petrol, diesel, heating oil, natural gas and solid fuel, based on their carbon emissions. The increases took effect from the Budget in the case of propellant fuels, with the other increases taking effect from 1 May 2020.

Provision was also made in Finance Act 2019 for increases in the amount of rebate payable under the **Diesel Rebate Scheme**, depending on the retail price of diesel. This change took effect from 1 January 2020.

The Finance Act 2019 also provided for the introduction of a new element in vehicle registration tax (VRT) based on a vehicle's **nitrogen oxide (NO_x) emissions**. VRT now comprises of two distinct components: the charge based on CO₂ and the charge based on NO_x. In excess of 20,000 car values were updated in the car valuation database maintained by Revenue to compute the CO₂ component of VRT to reflect the impact of the additional charge on car values. The new VRT charging structure commenced on 1 January 2020 for both new and used cars.

We continue to manage and advise on **VAT appeal cases**, at domestic and at EU level, that have either important precedent value or assist in interpreting domestic VAT legislation in light of the Court of Justice of European Union (CJEU) judgments. The number of such cases have increased by approximately 500% in the last number of years. Additionally, we work closely with other Government bodies when defending the Irish interpretation of the VAT Directive at CJEU hearings where the interpretation is being challenged.

The Government published **Ireland's Corporation Tax Roadmap**³ sets out steps to be taken in Ireland's implementation of commitments made through EU Directives and the OECD Base Erosion Profit Shifting (BEPS) reports and the recommendations contained in the Coffey *Review of Ireland's Corporation Tax Code*⁴. We worked closely with the Department of Finance on policy formulation, by providing advice, input and drafting legislation, in respect of the implementation of the following measures in 2019 that were provided for in the Corporation Tax Roadmap:

- **Hybrids** – Building on the work done at OECD level in relation to BEPS, the EU Commission put forward its Anti-Tax Avoidance Directive ('ATAD') in 2016. ATAD was amended, in respect of hybrid mismatches, and the amended Directive was agreed by all Member States, and formally adopted by the Economic and Financial Affairs Council of the European Union, on 27 May 2017. Finance Act 2019 transposed the anti-hybrid rules into Irish law.
- **DAC 6** – The DAC6 Directive, which was agreed in 2018, introduces a mandatory disclosure regime for cross-border arrangements that could potentially be used for aggressive tax planning. The disclosure regime will come into operation on 1 July 2020. After that date, disclosure information will be shared between the tax administrations of EU Member States. The Directive was transposed into Irish law by Finance Act 2019 and the European Union (Administrative Cooperation in the Field of Taxation) (Amendment) Regulations 2019. The new regime includes a "lookback" reporting requirement, which will apply to reportable cross-border arrangements the first step of which was implemented between 25 June 2018 and 30 June 2020.
- **Implementation of the EU's Dispute Resolution Mechanisms Directive** – The Directive, which aims to expedite the resolution of disputes among EU Member States that arise from the interpretation and application of double taxation agreements (including disputes relating to transfer pricing and profit allocation between Member States), was agreed in October 2017 and transposed into Irish law through the European Union (Tax Dispute Resolution Mechanisms) Regulations 2019.
- **Modernisation of Transfer Pricing Rules** – In Finance Act 2019 transfer pricing rules, which require that related party transactions are priced as if they were carried out by unrelated parties dealing at arm's length, were updated and modernised in line with the recommendations contained in the Coffey Review.

Throughout 2019, we continued work on the expansion of Ireland's tax treaty network through the negotiation of new **Double Taxation Agreements (DTAs)**. We are also updating a number of existing DTAs through the negotiation of protocols to implement anti-BEPS measures or full renegotiations. Ireland has signed DTAs with 74 countries, covering Income Tax, Universal Social Charge and Capital Gains Tax. Of the DTA's signed, 73 are currently in effect.

Revenue acts as the **Competent Authority** for the purpose of resolving any disputes in relation to relief from double taxation that may arise under Ireland's DTAs. During 2019, our engagement with the Competent Authorities of other countries to eliminate double taxation resulted in the completion of 11 cases, 5 of which relate to attribution or allocation of profits

³ <https://assets.gov.ie/4158/101218132506-74b4db520e844588b3d116067cec9784.pdf>

⁴ <https://assets.gov.ie/4220/111218110322-f8ed72acfe914120830b22a5377356e1.pdf>

between Ireland and the other country concerned (transfer pricing) and 6 of which relate to other non-transfer pricing disputes. This work involved Mutual Agreement Procedure (MAP) negotiations, provided for under our network of DTAs and the EU Arbitration Convention (Table 25).

We held negotiations on bilateral Advance Pricing Agreements (APAs) with the Competent Authorities of other countries to determine, in advance of the period of account concerned, an agreed basis for cross-border transfer pricing between companies. The negotiation of APAs seeks to prevent transfer pricing disputes arising. In 2019, we received 10 APA requests and 2 APAs were granted following negotiations with the Competent Authorities of other countries (Table 24). In recent years, on foot of the work done at OECD level in relation to BEPS we have seen an increase in the number of MAPs and requests for APAs.

In October 2019, Ireland's **Domestic Resource Mobilisation (DRM)** initiative was launched at the World Bank in Washington, D.C. The DRM initiative is a whole of Government collaboration between the Department of Finance, the Department of Foreign Affairs and Trade and Revenue, the aim of which is to strengthen developing countries' capacity in tax administration. This initiative aims to support partner tax administrations and enhance the capacity for sustainable DRM. Under the DRM initiative, Ireland will support partner tax administrations by sharing our experience through effective global partnerships.⁵

Excise legislation is governed by a set of EU Directives which establish the scope, permitted reliefs and minimum rates of duty for alcohol, tobacco and energy products. During 2019, we worked closely with the Department of Finance, EU Commission and other member states on specific revisions to the **General Excise and Alcohol Products Tax Directives**. Agreement was reached on the General Excise Directive which will modernise the legal regime for the intra – EU trade and administrative requirements for the taxation of such products. In addition, we provided input to on-going EU reviews of the current Energy Tax and Tobacco Products Tax Directives. Additionally, we engaged in discussions at EU level on Ireland's experience in dealing with fuel fraud and of the introduction of the joint fuel marker (with the UK) since 2015.

We continued to participate in, and contribute to, a broad range of international tax and duty matters at **European Commission** level with the aim of influencing the design and supporting the development of effective policy frameworks. In 2019 these included:

- Tax challenges arising from the digitalisation of the economy
- EU Code of Conduct (Business Taxation) Group
- Common Corporate Tax Base.

⁵ <https://www.irishaid.ie/news-publications/publications/publicationsarchive/2019/october/domestic-resource-mobilisation.html>

Charities VAT Compensation Scheme

The Charities VAT Compensation Scheme was announced as part of Budget 2018 and aims to reduce the VAT burden on charities and to partially compensate them for VAT paid in the day to day running of their activities. It applies to VAT paid on qualifying expenditure on or after 1 January 2018. Charities can submit one claim per year in relation to VAT paid on qualifying expenditure in the previous year.

The fund for the scheme is capped at €5m annually. Where the total amount of claims received in any year exceeds the capped amount, charities are refunded on a pro-rata basis.

Claims under this new scheme for VAT paid on qualifying expenditure in 2018 could be made between 1 January and 30 June 2019. During this period, over 1,143 claims amounting to almost €40m were made by charities. Of these claims, 61% were received from charities supporting the community, 16% from religious charities, 15% from charities supporting education and 8% from charities involved in the relief of poverty.

Following the closing date for submission of claims, we undertook a risk-based claims review process. Where invalid amounts or errors were identified, or if a claim needed to be adjusted, we contacted the relevant charity to explain the issues involved.

The first payments under this scheme issued to charities in October 2019. Based on the overall value of the valid VAT claims submitted by charities, refunds were paid on a pro-rata basis of 13.4%.

Brexit

Extensive and detailed Brexit preparedness and contingency work, for all scenarios, continued across all Government Departments and Agencies throughout 2019. As part of our continuing preparations, we actively engaged, at a national level, in the inter-Departmental work co-ordinated by the Department of An Taoiseach and the Department of Foreign Affairs and Trade and we worked closely with the Department of Finance, who determine fiscal policy.

We actively participated in the Department of Public Expenditure and Reform Infrastructure Working Group which ensured critical infrastructure was available for each of the Brexit milestone dates in 2019. We provided technical advice and support to the Brexit teams in the Department of the Taoiseach, Department of Foreign Affairs and Trade and the Department of Finance, as needed.

At European level, we met with tax and customs administrations in Member States and with the European Commission to plan and prepare effectively for Brexit.

Having regard to our role, our Brexit preparedness and contingency planning is strongly focused on implementing customs controls in a manner that encourages legitimate trade, enhances competitiveness and supports business while managing compliance risks.

Throughout 2019, we continued our **engagement with businesses** through the Customs Consultative Committee and by participation in events organised by other State Agencies (e.g. Enterprise Ireland, Bord Bia), the Ploughing Championships 'Brexit Hub', industry organised events, and meetings with representative groups.

Additionally, and in order to intensify and extend our engagement with businesses, we developed a comprehensive Trade Engagement Programme. Through the programme we provided practical guidance to Irish businesses on the possible impacts of Brexit and assisted them in identifying steps to prepare for Brexit.

We hosted 11 customs focused Brexit information seminars across the country, in collaboration with the Department of Agriculture, Food and the Marine (DAFM), targeted at businesses and particularly logistics and transport businesses that trade with, from or through the UK. These seminars were attended by close to 2,000 business representatives. As well as presenting relevant information, we gave businesses the opportunity to engage, on a one-to-one basis, with customs experts. We also engaged directly with customs agents and customs software providers.

A key source of information for trade and business is our website which is kept up to date with specific information that outlines, in clear terms, the obligations on businesses throughout the supply chain and offers them guidance on steps to take to meet their post Brexit obligations.

In addition to these seminars, we wrote to more than 100,000 businesses that traded with the UK in 2018 and 2019, identified through our analysis of VAT Information Exchange System (VIES) returns. We followed up on these letters by way of a direct telephone contact with almost 30,000 businesses that were identified as having more than €5,000 trade value activity with the UK in a year and/or a frequency of import or export that showed the UK as a key supply chain component. As a result of this, and all our other engagement initiatives, over 24,000 businesses applied for an Economic Operators' Registration and Identification (EORI) number during 2019, a 710% increase when compared to 2018 registrations.

Following detailed analysis, we identified our additional **staff requirements** to manage an orderly UK withdrawal from the EU. To the end of October 2019, a total of 588 staff were appointed, trained and in place to enable Revenue to continue to facilitate the movement of legitimate trade post-Brexit to the greatest extent possible.

IT systems are at the heart of all our operations and are also central to how Ireland and the EU facilitate the fast and efficient completion of customs formalities. During 2019, we processed 1.7 million import and export **custom declarations** through our electronic systems. Post Brexit, import and export declarations could increase to as many as 20 million per annum. In preparation for the expected rise in customs declarations we carried out significant work to increase our systems' capacity to cater for trade with the UK as a third country. Our systems will successfully handle the increased transaction levels arising as a result of Brexit.



Paul Morrin of the Central Statistics Office presents at Revenue's seminar in July

We support the tax policy making process by publishing statistics and research that provide evidence and data to inform decisions. In July 2019 we hosted the second annual Revenue Statistics and Research Seminar, on the theme of "Using Revenue Statistics and Research to Improve Effectiveness". Held in the Chester Beatty Library in Dublin Castle, over 80 people from Revenue, across the public service and private sector attended.

The presentations covered our use of multiple data sources to analyse VAT, including the calculation of Ireland's EU contribution under VAT Own Resources, as well as our research that seeks to better understand the challenges for low income, self-employed persons in meeting their tax obligations and our strategy to support these taxpayers. Paul Morrin from the Central Statistics Office (CSO) also outlined the wide use of Revenue data by the CSO and plans to expand this in the continued development of Ireland's National Data Infrastructure.

The slides from the seminar are published on our website:

<https://www.revenue.ie/en/corporate/documents/statistics/about/combined-seminar-presentations-july2019.pdf>.

In addition to the seminar, we continued to publish an increasing volume of data, accredited Official Statistics and research on tax receipts and costings of tax policy. We publish in an accessible and convenient manner as much as possible, using Open Data formats where feasible. Our published information is available at Revenue.ie on our statistics (<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>) and research pages (<https://www.revenue.ie/en/corporate/information-about-revenue/research/index.aspx>).

Also in 2019, our research paper on capital taxes (<https://www.revenue.ie/en/corporate/documents/research/capital-taxes-profile.pdf>) received a 'High Commendation' award from the Foundation for Fiscal Studies. Our work on Ireland's VAT Own Resources calculation received a Revenue Excellence and Innovation Award.

Confront Non-Compliance



Audit and Compliance Interventions

566,282 Interventions with a Yield of **€547.6m**



Avoidance

127 Cases Settled

Yield **€29m**



Seizures

17,849 Customs/Excise Seizures

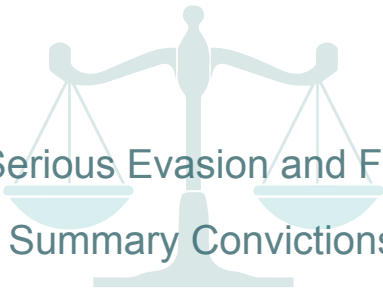
Valued at **€50.7m**



Prosecutions

15 Serious Evasion and Fraud Convictions

679 Summary Convictions



Publications



186 Cases Published with
Settlements Amounting to **€58.7m**

Debt Enforcement

63,772 Cases
Yield: **€274.2m**



Confront Non-Compliance

Our core task is the collection of taxes and duties. We do this through the provision of excellent service to support voluntary compliance and a robust response to non-compliance. The majority of taxpayers are voluntarily tax and duty compliant, meet their filing and payment obligations on time and submit accurate returns and declarations.

We encourage taxpayers to keep their tax affairs under review and to let us know if, despite their efforts to be compliant, there are errors or omissions in their tax returns. If a taxpayer discovers an error or omission, there are significant benefits if they approach us before we undertake a compliance intervention. By making a 'qualifying disclosure', taxpayers can avail of reduced penalties, avoid having their name published in the quarterly List of Tax Defaulters and avoid possible prosecution.

We support the strong culture of voluntary compliance through our comprehensive, risk-based approach to compliance management. We are committed to tackling non-compliance in all its forms. We use a broad range of data, intelligence and analytical technologies to identify and quantify risk in order to effectively identify, target and confront cases presenting a risk of non-compliance. We are focused on strengthening our understanding of the tax and duty compliance behaviour of individual taxpayers and their businesses and, where necessary, challenge aggressive tax planning.

We confront non-compliance consistently and ensure that taxpayer behaviour determines the nature, extent and consequences of our compliance interventions. We have a broad suite of interventions which are deployed depending on the risks identified in a case. These interventions range from non-audit compliance interventions such as assurance checks, aspect queries and profile interviews to audit or investigations. In cases of serious tax and duty fraud we refer the cases to the Director of Public Prosecutions for criminal prosecution. As we operate a self-assessment system, we pay particular attention to those who fail to file their tax returns on time. We pursue non-filers applying a range of sanctions up to and including prosecution.

In 2019, the yield from a total of 566,282 compliance interventions was €547.6 million. This included 3,029 audits and investigations, yielding €222.6 million (Table 11). In addition, 563,253 other compliance interventions were completed, ranging from over 22,719 checks on PAYE taxpayers to over 375,000 risk checks across all transactions including VAT repayment claims.

We seized 3,229kgs of drugs with an estimated street value of over €23.63 million. We carried out 4,737 seizures of illicit tobacco products, valued at over €10.6 million, seized 543,000 litres of illicit alcohol valued at €3.3 million and seized 1,565 vehicles, for various offences (Tables 16 and 17). In addition, 259 gaming machines were seized as part of a national compliance project on the gaming and amusement sector.

In 2019, Revenue prosecutions resulted in Court fines totalling €2.8 million in 679 summary cases, 704 civil penalties for non-filing of returns totalling €2.8 million and 15 criminal convictions for serious tax and customs fraud (Table 21). At the end of the year, there were a further 61 criminal cases before the Courts (Table 20).

Compliance Programmes

Our risk-based compliance framework aims to minimise the administrative burden on the compliant taxpayer and prioritise our compliance resources on the non-compliant taxpayer.

In 2019, our compliance activity touched on all sectors of the economy but there were a number of areas which were of particular focus. These included the construction sector, medical locums, short-term accommodation and e-commerce. Details of our sectoral compliance activity are set out in Table 15.

Historically, the **construction sector** has posed significant risks to the tax system as evidenced by the outcomes of our compliance programmes in this area over a number of years. Given this, and its expansion in line with strong economic growth, the construction sector again featured prominently in our interventions in 2019. The construction sector yielded over €41 million, representing almost 8% of the total yield from all interventions. These interventions primarily focused on VAT, RCT and PREM risks.

Utilising returns submitted to us by third parties, our national compliance project on **medical locums** continued throughout 2019. The primary focus of this project is on tax risk associated with locums who are carrying out their business through an incorporated entity. A range of compliance interventions, including 247 audits, were initiated and the project is expected to continue throughout 2020.

As reported in 2018, we wrote to approximately 12,000 people in receipt of income from the **provision of short-term accommodation** to remind them to include it on their tax returns. During 2019, we began a follow up compliance programme, writing to taxpayers in receipt of this income to ensure that the income has been returned correctly. This programme is on-going.

We continue to develop our business initiatives to enhance awareness among taxpayers and our staff of the **e-Commerce** environment, its associated risks and tax implications. In 2019, we worked with other Tax Administrations to progress third party reporting obligations for payment service providers, which will become effective from 1 January 2024 and will enhance our data analytics for risk identification associated with online trade.

We are committed to ensuring the **VAT compliance of non-resident online traders** who supply goods and digital services to Irish customers. Key objectives of this work include the registration of online businesses with high levels of activity in Ireland or who supply high value/ low-volume goods to the Irish market. The goal is to ensure these traders are aware of and comply with their VAT obligations and that they are compulsorily registered for VAT in Ireland in certain circumstances. During 2019, in excess of 3,100 online traders were profiled while some 200 online traders were registered for Irish VAT with additional net VAT declared of just under €3 million.

We continue to pro-actively address the challenges of the international tax environment, including carrying out risk driven **transfer pricing audits and other transfer pricing compliance interventions**. By the end of 2019, we had initiated 24 transfer pricing audits, 7 of which have been finalised resulting in a yield of €136,000 and a restriction in trading losses of €26.6 million (tax effect: €3.3 million). Additionally, amended corporation tax assessments have been made with total underpaid corporation tax identified of approximately €144 million. The majority of the amended assessments are currently under appeal.

Section 1086 of the Taxes Consolidation Act, 1997 provides that Revenue publishes **Lists of Tax Defaulters** in Iris Oifigiúil, within three months of the end of each quarter in which agreed settlements are reached or Penalty Determinations are made by the Courts. This is an important deterrent in our fight against tax non-compliance. In 2019, tax settlements amounting to €58.7 million were agreed with 186 taxpayers and were published. Tables 14 and 15 provide details of publications in 2019 including a breakdown by quarter and the most common sectors published.

Use of Data, Intelligence and Analytics

We deploy our data analytics capability and risk assessment systems to effectively identify and better target risk, and to gauge the impact of our actions on compliance behaviour. We are committed to maximising the use of data and the deployment of analytics and risk assessment approaches to identify the incidence, scale and significance of non-compliance and to target our

resources to successfully confront and overcome those risks.

The Taxes Consolidation Act 1997 obliges a wide range of third parties, including merchant acquirers, Government bodies, financial institutions, and certain types of intermediaries, to provide returns of information to Revenue. In general, the returns received detail payments made to, or assets held on behalf of, Irish taxpayers. We actively manage compliance with these requirements to ensure that we receive comprehensive and high-quality information.

The data gathered in **third-party returns** is matched to our records and used to:

- cross-check taxpayer declarations and highlight discrepancies for review
- identify non-filers who may be carrying on trading activity
- target specific compliance projects, for example, Irish residents in receipt of income from foreign assets.

Increasingly, we are using third-party information to pre-populate tax returns. In 2019, we pre-populated over 85,000 Income Tax returns with information on payments made by the Department of Agriculture, Food, and the Marine; over 81,000 with information on tenancies registered with the Residential Tenancies Board; and over 15,000 with information on Housing Assistance Payments made by local authorities.

We also make extensive use of third-party information in our data analytics projects, alongside a range of other Revenue data sources. In 2019, we reviewed our PAYE and VAT Real-Time Risk systems, reducing the number of interventions experienced by compliant taxpayers and the workload of our staff by an estimated 70% for PAYE and 46% for VAT Real-Time Risk. We also analysed compliance project outcomes to identify evidence-based risk indicators, carried out impact evaluations of selected voluntary compliance initiatives, and supported the development of analytical tools for detecting VAT fraud and conducting sectoral risk assessments.

Various legal instruments provide for the **Exchange of information (EOI)** between tax administrations. We use this information to detect and prevent tax evasion and to ensure the correct application of Ireland's domestic tax legislation.

We have legislation in place to automatically exchange financial account information, including bank account details and details of investments, with over 100 jurisdictions. In 2019, a total of 91 jurisdictions participated in the exchange of this data. This provides us with information on accounts held abroad by Irish customers, which is cross-referenced with tax returns, to ensure all offshore assets and income are properly declared.

Large multinational enterprise (MNE) groups are required to file a Country-by-Country (CbC) Report that provides a breakdown of revenue, profits, taxes and other indicators of economic activities, for each tax jurisdiction in which the MNE group does business. The first exchanges of CbC data between tax administrations took place in June 2018 and we use this information to inform high-level transfer pricing risk assessments and to evaluate other BEPS-related risks. CbC data is exchanged quarterly. In 2019, Ireland exchanged CbC data with 61 jurisdictions.

In keeping with our commitment to international tax transparency, and in line with EU and the OECD initiatives to strengthen EOI between tax authorities in the area of tax rulings, we supplied details of 118 opinions issued in 2019.

Mutual Assistance includes exchange of specifically requested information between EU Member States and other countries. We provide and benefit from mutual assistance through sharing such information and collaborative investigations. In 2019, we received 1094 mutual assistance requests from other countries, while we made 672 such requests (see Table 22).

During 2019, we processed 25,411 **Suspicious Transaction Reports (STRs)** from financial institutions and other designated bodies that are required, by law, to make such reports. STRs

received are examined and used to identify and subsequently confront non-compliance. In 2019, the yield from compliance interventions which can be directly linked to STRs was €7.6 million. The actual yield arising from STRs may be higher, as the information received can become an integral part of the overall risk profile for an individual taxpayer and may contribute to any additional yield obtained.

Target and Disrupt Shadow Economy Activities

Our determination to challenge all forms of shadow economy activity and restrict the opportunities for deliberate tax and duty evasion is evidenced by the broad range of interventions conducted which target fraud, illicit trade, smuggling and organised crime.

Our **Joint Investigation Unit (JIU)** continues to make a significant contribution to our overall intervention strategy targeting shadow economy activity. JIU officers conduct both 'standalone' Revenue operations and work very effectively with the Department of Employment Affairs and Social Protection (DEASP) Special Investigation Unit (SIU) officials and also, as circumstances require, with the Workplace Relations Commission (WRC), to address areas of mutual concern across a range of economic sectors. One such sector is construction.

In 2019, JIU officers along with other Revenue staff conducted 829 Revenue standalone construction site visits, interviewing 3,476 contractors, sub-contractors and employees on site to make them aware of their compliance and other statutory obligations. Additionally, they carried out a further 844 construction site visits in conjunction with either DEASP or WRC, to include 39 visits with both and interviewed a further 3,176 individuals.

As a result of these activities, 297 individuals were registered as new employees for PAYE and an additional 97 sub-contractors were reclassified as employees.

We continue to develop measures to combat the risk of **VAT fraud** and engage with international agencies and fora including EUROFISC and the International Organisation of Tax Administrations (IOTA) to share information regarding emerging trends and best practice. Bi-lateral cooperation with Member States on cross border fraudulent VAT activities is an important element in managing risk.

In 2019, we enhanced our analytical capabilities for VAT risk identification and case selection. In addition, our focus on disrupting VAT fraudulent activity generated assessments in excess of €16 million while 41 VAT registrations were compulsorily cancelled where there were indications of fraudulent activity. We also notified 244 foreign suppliers to desist from supplying to those VAT cancelled traders.

We have primary responsibility for the **prevention, detection, interception and seizure of controlled drugs** intended to be smuggled or illegally imported into, or exported from, the State. Our drugs strategy supports Ireland's national drugs strategy *Reducing Harm, supporting recovery: A health led response to drug and alcohol use in Ireland 2017 – 2025*.⁶

We deploy a risk-based approach to identifying key players within the various strands of the illicit drugs supply chain, and initiate a range of measures and interventions, including multi-agency operations to dismantle core supply chains. This risk-based approach includes developing and utilising intelligence in conjunction with our national and international law enforcement partners.

We work closely with An Garda Síochána, particularly the Garda National Drugs and Organised Crime Bureau, in joint investigations and operations. We participated in 19 such operations during the year. There were 45 people arrested as a result of 68 joint controlled deliveries with

⁶ http://www.drugs.ie/downloadDocs/2017/ReducingHarmSupportingRecovery2017_2025.pdf

An Garda Síochána, and these cases are currently with the DPP. We also work closely with the Health Products Regulatory Authority, the Irish Naval Service, and international bodies such as the Maritime Analysis Operations Centre-Narcotics (MAOC-N) Lisbon, Europol, Interpol, and World Customs Organisation and law enforcement agencies in other countries.

During 2019, we made over 10,279 seizures amounting to 3,229 kgs of drugs with an estimated value of over €23.63 million (Table 16).

Importation of herbal cannabis by organised crime gangs

In January 2019, approximately 35kgs of herbal cannabis with an approximate value of €700,000 was detected in Dublin that was consigned to a commercial premises in Belfast. We initiated a controlled delivery as part of a Cross Border Joint Agency Task Force operation. A further 10kg of herbal cannabis was detected as part of the controlled delivery bringing the total seizure for this joint operation to 45kgs with an approximate value of €900,000. The operation also resulted in the arrest of four individuals in Northern Ireland.

This significant seizure of drugs is directly linked to several successes against an international organised crime gang (OCG) operating in both the Republic of Ireland and Northern Ireland. Since the beginning of 2019 this has led to significant further detections of herbal cannabis in several locations in the Dublin, Kildare and Athlone areas. Investigations to date have resulted in one criminal conviction. The individual was sentenced to three years in prison of which the final 18 months were suspended on condition that the individual leave the State and not return for 15 years.

Targeted interventions carried out as part of the investigation to date have resulted in the seizure of approximately 90kgs of herbal cannabis with an approximate value of €1.8 million directly associated with this international OCG. Our investigations are continuing and through ongoing joint operations with An Garda Síochána and other international law enforcement agencies we are collaboratively working to further disrupt the illicit activities of this identified OCG.

98kgs of herbal cannabis seized at a warehouse in West Dublin

In June 2019, following an alert by our National Profiling Centre, we initiated a joint operation with An Garda Síochána which led to the detection of 98kgs of herbal cannabis with an estimated value of €1.9 million at a warehouse in an industrial estate in West Dublin. The controlled delivery led to the detection of the drugs, the interception of two vehicles and two arrests. It is believed the drugs were destined for an OCG based in Northern Ireland.

Medal for Excellence award - Maritime Analysis Operations Centre (Narcotics)



Andrew Ryan (left) and Mick Gilligan at a MAOC (Narcotics) ceremony in Lisbon, 30 October 2019

The Maritime Analysis Operations Centre (Narcotics), (MAOC N), is an international Law Enforcement Organisation based in Lisbon. It comprises of Law Enforcement and Military personnel from seven European countries including Ireland. A Revenue officer and a member of An Garda Síochána are assigned full time as country liaison officers to MAOC (N) in Lisbon. The role of MAOC (N) is to prevent illegal maritime drug trafficking into Europe. This year, the co-ordination of the interception of cocaine shipments from South America by MAOC (N) resulted in seizures totalling €1.8 billion from transnational organised crime groups.

Each year, MAOC (N) presents an award, in the form of a medal to individuals who have displayed extraordinary commitment to the fight against international drug trafficking.

At a MAOC (N) award ceremony in Lisbon on the 30 October 2019, Andrew Ryan, Maritime Operations Manager, Revenue Maritime Unit, Customs Division and Mick Gilligan, Principal Officer in Revenue's Investigation and Prosecutions Division were both awarded a MAOC (N) Medal for Excellence.

The MAOC (N) Medals for Excellence are a very positive reflection of the international contribution that Revenue makes in the fight against international drug trafficking.

Our strategy to tackle the **illicit tobacco trade** is to target all stages of the supply chain. This involves identifying and targeting the smuggling, distribution and sale of illicit tobacco products. Our goal is to seize the illicit products and, where possible, prosecute those responsible. Our multi-faceted strategy includes:

- conducting analysis of the nature and extent of the problem
- developing and sharing intelligence on a national and international basis
- using analytics, profiling and detection technologies to identify and screen cargo, vehicles, baggage and postal packages to intercept the supply of illicit tobacco products
- ensuring the optimum deployment of resources having regard to risk at points of importation and within the country.

Much of this criminal activity has a transnational and cross border dimension and, in addition to our ongoing cooperation with An Garda Síochána in this field, we work closely with our counterparts in other jurisdictions and bodies including the European Commission's Anti-Fraud Office (OLAF), Europol and the World Customs Organisation (WCO).

In 2019, we initiated a **National Tobacco Project** to target those involved in the importation, distribution and retail of illicit tobacco products as well as those who facilitate that illicit trade. Our targeted actions led to the seizure of over 13 million illicit cigarettes and 3,534kgs of tobacco, with a combined value of over €10.6 million.

The 2019 Illegal Tobacco Products Research Survey, conducted by Ipsos MRBI for Revenue and the HSE National Tobacco Control Office, finds that 15% of the cigarette packs held by smokers surveyed are classified as illegal and a further 9% of the packs are found to be legal Non-Irish Duty Paid (usually purchased legally abroad). The survey found that 12% of packs of roll your own tobacco held by smokers are illegal, with a further 7% being legal Non-Irish Duty Paid. Compared to 2018, the illegal market share for cigarettes is up slightly. However, for roll your own the estimated illegal market share decreased significantly from 21%. This decrease follows a significant increase in the survey size in 2019. The survey results are published on the Revenue website at <https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/tobacco-consumption-survey/index.aspx>. We continue to remain pro-active in the fight against tobacco fraud.

Discovery of counterfeit cigarette factory

In March 2019, our officers, along with members of An Garda Síochána, conducted a joint operation that involved searching an industrial unit in Knockbridge, Co. Louth. At the premises it was discovered that an end-to-end, commercial scale, counterfeit cigarette factory was in the process of being set up. Machinery for manufacturing and packing cigarettes was seized along with non-tobacco materials such as cigarette packaging, cigarette paper, cigarette filters and cellophane wrapping. While production had not begun, 33 tonnes of raw tobacco was also seized with which it is possible to make a minimum of 33 million cigarettes. An alcohol bottling plant was also discovered and dismantled at the location.

Disrupting the illicit tobacco supply chain

In 2019, our investigations into the supply chain of illicit tobacco products resulted in the identification of a suspected tobacco smuggler, a distributor and a seller of illicit tobacco products in Co. Wexford. Arising from several searches of premises, 38,000 cigarettes and 26kgs of tobacco were seized. Prosecutions of the persons concerned are currently pending.

In May 2019 we launched a **new tobacco tax stamp**, replacing the stamp that had been in use since 2015. The tobacco tax stamp is part of our wider strategy to combat the supply and sale of illegal cigarettes and improves our ability to tackle criminal activity in this area. Improvements in technology facilitated a new stamp design that contains multiple complex security features to guard against counterfeiting and the illicit trade. The use of innovative technological security features allows our officers to verify that a stamp is authentic and to identify a counterfeit Stamp in 'real time'. The presence of the tax stamp on tobacco products reassures consumers that tax is paid on the product they buy, thereby protecting legitimate trade and Exchequer returns. The tax stamp is fundamental to the collection of Tobacco Products Tax on cigarettes and fine cut tobacco and its presence also enables the public to distinguish between smuggled product and product upon which duty has been paid. This is important because the vast majority of people are tax compliant and do not want to support non-compliance and illegal activity. If a packet of cigarettes or a packet of fine cut tobacco, intended for retail sale in Ireland, does not have a tax stamp affixed to it, the product is liable to seizure.

Traceability and Security Features Systems for Tobacco Products

The 2014 EU Tobacco Products Directive (Directive 2014/40/EU) provided for the introduction of a 'traceability' system alongside a 'security feature' for tobacco products supplied on EU markets. The 'traceability' element requires all cigarettes and roll-your-own products manufactured in, or imported into, the EU from 20 May 2019 to be marked with a 'unique identifier'. This marking, a Data Matrix, QR Code, or DotCode, is scanned at each stage in the legitimate tobacco supply chain by the economic operator concerned (importer, wholesaler, distributor, etc.) until the last point before retail. The 'security feature' allows for the authenticity of a given tobacco product to be verified with the tax stamp used as the security feature in many EU member states, including Ireland.

We worked closely with the Department of Health and the EU Commission (DG SANTÉ) on the implementation of traceability and security features for tobacco products in Ireland. In 2018, Revenue was designated as Competent Authority for the purposes of certain defined functions under this regime.

Over the course of 2019, we undertook a project to complete the necessary steps required to discharge these functions. These included:

- appointing the ID issuer for Ireland for the traceability system
- co-ordinating, over a nine-month period, the introduction of the ID issuing process by manufacturers / importers of tobacco products
- approving a specific tax stamp for use as a security feature for duty-free tobacco products
- ensuring that importers, wholesalers, distributors and retail representatives had the information required to support compliance with these systems.

Since 20 May 2019, all cigarettes and roll-your-own tobacco products supplied on the Irish market are marked with a unique identifier ID and a security feature. A system for registration of economic operators in the tobacco sector in Ireland is in place, tobacco products entering the State are appropriately marked and are being scanned as they move along the supply chain. The costs are borne by tobacco manufacturers and importers.

The introduction of the traceability system on an EU wide basis has allowed for an EU wide data repository to be created which will increase the quality of information available on the legitimate supply of tobacco products on all EU markets. The traceability system will enable authorities in each member state to monitor the movement of tobacco and assess any unexpected fluctuations in supply or diversion of products from the legitimate supply chain. Over time, this will provide information to assist in illicit tobacco investigations in Ireland and other EU member states.

In 2019, we saw an increase in the number of larger seizures of **illicit alcohol** at our main ports. This is as a result of increased cooperation and intelligence sharing between Ireland and other EU Member States, in relation to the movement of product between bonded warehouses within the EU. A total of 543,194 litres of alcohol with an estimated value of €3.3 million was seized during 2019. This represents an increase of almost 700% in the quantity of illicit alcohol seized when compared to 2018.

Additionally, Ireland participated in a number of multi-national operations involving other Member States, targeting fraudulent movements of alcohol products.

Based on the evidence to date, we are satisfied that our overall strategy has been very effective in combatting the **illicit trade in fuel products**. In 2019, we detected no fuel laundries, however we continue to remain vigilant, particularly in relation to emerging trends and risks in this area. Following risk and supply chain analysis, we initiated a *National Mineral Oils Project* in 2019 with 224 traders identified for intervention. In addition, 25 oil traders who also trade in solid fuels were selected for intervention as part of this project. Work on this project will continue beyond 2019.

In 2019, we repeated a National Random Sampling Programme, testing 123 licensed fuel traders and 109 transport sector traders. The programme showed evidence of the sale of laundered fuel at 2 of the 123 retail outlets tested. Evidence of misuse of reduced-rate fuel was found in 1 of the 109 transport sector traders tested. The findings of the sampling programme suggest that the systematic selling of illicit fuel through retail outlets and its use in the transport sector is negligible but does not signify the complete elimination of the illicit trade in fuel. The results of the sampling programme are published in the Research area of the Revenue website at <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/excise-and-vat.aspx>.

Under **cash seizure provisions** in the Proceeds of Crime (Amendment) Act 2005 (POCA), we detain cash amounts of €1,000 or more which are suspected to be the proceeds of, or intended for use in, criminal activity. When cash is detained, with the approval of the Courts, a comprehensive investigation is conducted with a view to having the money forfeited to the State, where appropriate. In 2019, Revenue was granted Court approval in 52 cases for investigation of cash amounts totalling €809,896 (Table 19).

In cases where links to criminality are established, we apply to the Court for a forfeiture order. During 2019, the Courts granted forfeiture orders in respect of 37 criminal cash seizures amounting to €587,367 (Table 19).

Cash Detention of €177,330

On 6 July 2019, cash totalling €177,330 was detained by officers at Dublin Airport from a South African national who was travelling outbound to Dusseldorf. The majority of the cash was concealed in the individuals checked in luggage in €15,000 vacuum packed bundles. As investigation is currently underway, involving both national and international bodies and agencies, with a view to having the money forfeited to the State.

Cash Forfeiture of over €50,000

On 16 October 2019, at Dublin Circuit Criminal Court, an application for forfeiture was made in respect of €50,590, seized by officers at Dublin Airport on 13 September 2013 from an individual who was about to board a flight to Brussels. Approximately €44,000 of the cash was found in the passenger's checked-in baggage, while he carried the balance on his person. The cash was seized as it was suspected to be the proceeds of crime or intended for use in criminal conduct. In Court, the individual claimed that he had visited Dublin to inspect the business premises of customers of his Belgian-based company, and during that visit he had received cash payments for previous shipments of goods to Irish-based customers. This claim was contradicted by evidence offered by the State and was not accepted by the Court. Ultimately the Court determined that on the balance of probabilities the cash represented the proceeds of crime, and/or was intended for use in criminal conduct and ordered its forfeiture to the Exchequer.

Our action against **counterfeit, fake or pirated goods** is provided for by EU Regulations. We make regular detections of counterfeit goods at the country's ports, airports and postal hubs as a result of risk profiling. Many of the counterfeit goods that are detected and detained are intercepted in postal or courier hubs, addressed to individuals who have purchased them via the internet. Occasionally, larger consignments are detected in shipping containers, as a result of intelligence and risk profiling.

During 2019, we detected 22,107 items of suspected counterfeit goods valued in excess of €4 million. The range of counterfeit goods seized includes electronic goods, cosmetics, mobile phones/accessories, clothing and jewellery, the majority of which are consigned from China and Turkey.

Ensuring fairness, transparency and effectiveness

Ensuring a fair, transparent and effective tax and customs system is important to us. To protect tax yields and preserve the fairness of the tax system, we pro-actively identify and challenge **tax avoidance schemes** and the use of tax legislation, reliefs and allowances in a way that was not intended. In 2019, we settled 127 tax avoidance cases with a yield of approximately €29 million in tax, interest and penalties. Additionally, at the end of 2019, we were actively challenging 469 cases involving potential tax avoidance, relating to 27 transactions. Examples of two transactions under enquiry are set out below.

Tax Avoidance – trading losses

A total of 27 syndicates were set up, with each involved in the acquisition of financial assets including companies in the British Virgin Islands. The outcome was that each syndicate member had a trading loss attributed to them which they used to set against other income sources, thus reducing their exposure to tax on their income. In total there are 231 individuals in the 27 syndicates. We are challenging the deductibility of the syndicate losses and have raised assessments on the syndicate members. These assessments were subsequently appealed. Following a hearing for three syndicate members by the Tax Appeals Commission (TAC), a decision in favour of Revenue was delivered in December 2019. An appeal to the High Court has been lodged against the TAC decision. To-date 12 of the 231 cases have settled with liabilities of €1.8million.

Tax Avoidance – capital losses

In the years 2007 to 2009, we identified 28 individuals each of whom had made a substantial gain on a capital transaction and who had also claimed a substantial capital loss for offset against the gain. This reduced, in some cases entirely, the capital gains tax liability arising on their substantial gain. The total capital losses generated was approximately €550 million. We challenged the allowability of the capital losses using the general anti-avoidance legislation in section 811 of the Taxes Consolidation Act 1997. Judicial Review (JR) proceedings were taken against Revenue with the High Court ruling in our favour in November 2012. This ruling was confirmed by the Supreme Court in June 2016. A second JR challenge by 15 of the individuals was struck out in 2019. A number of the cases are expected to be heard by the TAC in 2020. To date, 9 of the 28 individuals have settled with liabilities of €36.4 million.

As a consequence of the transposition of the DAC 6 Directive, a mandatory disclosure regime for cross-border arrangements that could potentially be used for aggressive tax planning will come into operation on 1 July 2020. The new regime includes a “lookback” reporting requirement, which will apply to reportable cross-border arrangements the first step of which was implemented between 25 June 2018 and 30 June 2020.

Identifying, targeting and confronting **offshore evasion** is an integral component of our overall compliance framework. A fundamental element of our work in respect of offshore assets is making the best use of all the data at our disposal to identify and target non-compliance. This includes data received under international arrangements for the automatic exchange of information which is used to identify and pursue those who have attempted to use offshore

accounts, structures or assets to evade or avoid their tax obligations.

In 2019, we concluded 104 interventions on cases which were selected using information received under the *Foreign Account Tax Compliance Act (FATCA)*. FATCA is an information sharing agreement between Ireland and the United States of America. These cases have yielded in excess of €2.2 million in tax, interest and penalties, with 10 out of the 104 cases published in the Tax Defaulters List.

We also initiated programmes in 2019 reviewing the information received under the *Directive on Administrative Co-operation 1 (DAC 1)* and *Directive on Administrative Co-operation 2 (DAC 2)* international exchange of information programmes for tax risk.

We undertake **investigations** where we discover cases of serious tax and duty evasion and fraud, seeking to apply the full legal sanctions available that reflect the seriousness of the evasion involved.

In 2019, we referred 14 cases of suspected serious evasion to the Director of Public Prosecutions for consideration of **criminal proceedings**. In the same period the DPP directed that criminal proceedings be initiated in 8 cases.

Additionally, 15 **convictions for serious tax and duty evasion** were secured before the Courts in 2019.

- 8 convictions for serious tax offences. Custodial sentences ranging from 16 months to 2 years were imposed in 5 cases. Sentences were fully suspended in 3 of those cases, and 240 hours community service was also imposed in 2 of those cases. Fines totalling €2,500 were imposed in 3 cases.
- 7 convictions for serious duty offences. Custodial sentences ranging from 9 months up to 2 years were imposed in 4 cases. A fully suspended sentence was imposed in 1 case along with 240 hours of community service. Sentences were partially suspended in 2 cases. Fines totalling €8,500 were imposed in 3 cases.

At the end of 2019, there were 61 cases of serious evasion or fraud under investigation and a further 26 cases are currently before the courts (Table 20).

Debt Collection

Effective debt collection, to include robust but flexible enforcement mechanisms, is key to protecting Exchequer funding and delivering on our mission of fairly and efficiently collecting taxes and duties and implementing customs controls.

Our case management structure is segmented, which improves our ability to tailor our response based on taxpayer behaviour and provides greater flexibility in matching our debt management resources to counter tax collection risk. Using a clear risk focus, we have a structured programme in place to ensure that all cases that are non-compliant, in any form, are examined and subject to appropriate intervention to bring the case to full compliance in the shortest timeframe possible.

Our *Debt Management Services (DMS)* application, introduced in March 2019, provides for advanced profiling of cases and delivers significant increased capacity for compliance and enforcement activities. The development of *DMS* has fundamentally reshaped, and significantly enhanced, our debt management capacity. Since its launch, we have been rapidly expanding the debt management programme such that, from the end of November 2019, the compliance status of every business is subject to regular review. This means that we now have the capacity to continuously monitor all 1.35 million business registrations.

The increased capacity, in tandem with a more agile and responsive case management structure, allows us to speedily adapt our response to customer behaviour. This enables earlier engagement with non-compliant taxpayers. For those who fail to respond, we can move swiftly to take the appropriate enforcement action. This increase in enforcement activities, including referrals to sheriffs and external solicitors, is anticipated to lead to an increase in successful compliance and collection outcomes.

We undertake a range of debt enforcement actions to recover tax debt, including charging interest, where a taxpayer or business fails to comply with their obligations in a satisfactory manner in relation to that tax debt. Tables 7, 8 and 9 set out the details of our 2019 collection enforcement programmes and insolvency statistics.

Collaboration

We collaborate effectively with other Departments and Agencies, both nationally and internationally, to combat tax evasion in all its forms, including fraud, smuggling and other forms of criminality and to support and facilitate legitimate trade and regulatory objectives.

National Collaboration

- ✓ We work very closely with An Garda Síochána, the Criminal Assets Bureau, the Naval Service and the Defence Forces, providing mutual operational, intelligence and material support.
- ✓ We participate in the Oversight Forum on Drugs, led by the Department of Health, which oversees the implementation of Government's National Drugs Strategy 2017-2025.
- ✓ We are represented on the National Waste Enforcement Steering Committee, under the aegis of the Department of Communications, Climate Action and Environment, which facilitates cooperation between public authorities in the field of waste enforcement.
- ✓ Our Joint Investigation Units (JIUs) work closely with a number of Government Departments and other agencies, including the Department of Employment Affairs and Social Protection Special Investigations Unit and the Workplace Relations Commission, to confront and disrupt shadow economy activities. This effective and targeted collaboration produces significant results in terms of monitoring compliance with tax, PRSI and workers' rights.
- ✓ We coordinate the enforcement and interception of prohibited and restricted goods and products on behalf of our colleagues in the Department of Agriculture, Food and the Marine, the Food Safety Authority of Ireland, the Department of Jobs, Enterprise and Innovation, the Health Products Regulatory Authority and the Competition and Consumer Protection Commission.
- ✓ We collaborate with the Dublin Society for the Prevention of Cruelty to Animals and other agencies in relation to the illegal trade of animals.
- ✓ We work in partnership with the Department of Agriculture Food and the Marine, the Food Safety Authority of Ireland and the Health Service Executive on the Geographical Indication Scheme for Irish Whiskey and Irish Poteen.
- ✓ We worked closely with the Department of Health to introduce traceability and security feature systems for tobacco products by May 2019, as required by EU law.
- ✓ We provided input to the work of the Inter-Departmental Gambling Working Group, which was chaired by the Department of Justice and Equality (DJE). This group was established to review the policy issues relating to proposed new legislation for the

regulation of the gambling sector, covering betting, gaming, lottery, amusements and other related activities. The report of the group was published in March 2019. In addition, we participated in a subsequent seminar in May 2019 hosted by DJE on the future licensing and regulation of gambling in Ireland

International Collaboration

- ✓ We work very closely with many international bodies and agencies and participate in the EU's Customs Cooperation Working Party. We have seconded officers to EUROPOL in The Hague, the Irish Embassy in the UK and the Maritime Analysis and Operational Centre-Narcotics (MAOC-N) which is based in Lisbon. In 2019, Ireland held the Chair of the Executive Board at MAOC-N and was represented in this capacity by a senior Revenue official. This wide-ranging collaboration provides access to national law enforcement agencies and customs services in other Member States and further afield.
- ✓ We participated in a number of programmes under the European Multidisciplinary Platform Against Criminal Threats which is managed by Europol and coordinated at national level by An Garda Síochána.
- ✓ We actively engage with the activities of the World Customs Organisation (WCO) directed towards addressing the threats posed by fraud and smuggling.
- ✓ We work cohesively with the Health Products Regulatory Authority and An Garda Síochána in the area of illicit medicines enforcement and, at the invitation of the WCO, gave an in-depth presentation on our interagency cooperation in this area at a Pangea (Illicit Medicines) conference in Brussels, which was attended by delegates from 48 countries and a range of law enforcement agencies.
- ✓ We work closely with the European Anti-Fraud Office, sharing intelligence and information and investigating irregularities involving evasion of duty on imports into the EU, including common customs tariff, anti-dumping duty and countervailing duty.
- ✓ We participated in the EU Commission's expert group on the fight against illicit trade in tobacco, which was established in May 2017.
- ✓ We also work closely with Her Majesty's Revenue and Customs (HMRC) and other law enforcement agencies in Northern Ireland. The cross jurisdictional Joint Agency Task Force, established under the Fresh Start Agreement, prioritises the area of fiscal fraud. Under this framework, we work with the Police Service of Northern Ireland, An Garda Síochána, HMRC, the Criminal Assets Bureau, and the National Crime Agency.
- ✓ We are a key partner at the annual Cross Border Crime Conference, a collaborative event between representatives of law enforcement agencies and related organisations in the field of combatting organised crime on both sides of the border.
- ✓ We work closely with the Department of Justice and Equality (DJE) in relation to the implementation of the EU Passenger Name Record Directive which assists in the prevention, detection, investigation and prosecution of terrorist offences and serious crime. As a Competent Authority under this Directive, we have seconded staff to the Irish Passenger Information Unit in DJE.
- ✓ We continue to engage with the EU Commission and other Member States on the ongoing implementation of the Traceability and Security Features systems for tobacco products, as required by EU law. We oversaw the introduction of these systems with effect from May 2019.
- ✓ We participated, along with the Department of Finance, in EU Council Working Party discussions on a number of legislative proposals concerning the structure of alcohol taxes

and the general legal framework for Excise Duty. Agreement was reached at EU level on the general Excise Directive in late 2019.

Evaluation of Budget Compliance Measures

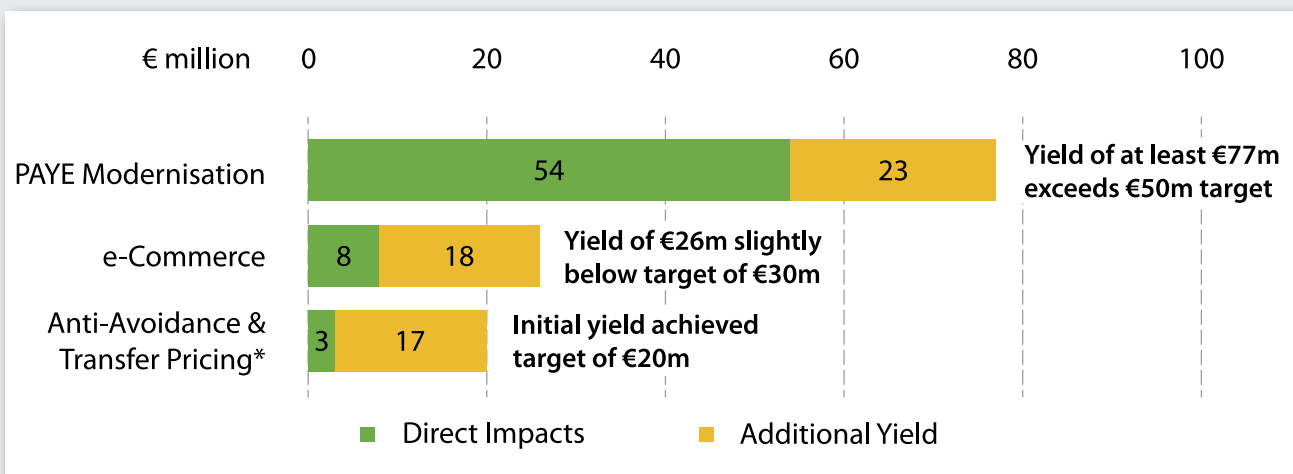
Budgets 2018 and 2019 both included a “compliance measures” item among the taxation policy changes. Such revenue raising measures were projected at the time of each Budget to yield an additional €100 million to the Exchequer in 2018 and a further €50 million in 2019.

Revenue has published research evaluating the yield from these measures in both years. While it is not possible to conclusively separate their impact from other actions taken by Revenue, behavioural changes by taxpayers and general economic activity, the analysis assesses the likely impact and indicates outcomes that it is reasonable to attribute to the measures.

This analysis shows the overall Budget 2018 target of €100 million has been exceeded, with further yield expected over time due to the long-term nature of the investments.

Analysis for individual components of the Budget 2018 measures shows:

- Revenue actions in the run-up to the introduction of PAYE Modernisation directly delivered additional Income Tax collection of at least €53.8 million from employers in 2018. There was a surplus of €290 million in PAYE Income Tax in 2018. Even if only €23 million of this (a tenth of the surplus less the direct additional yield) was due to Modernisation, together with the €53.8 million, this exceeds the €50 million Budget 2018 target for this measure
- Revenue actions directly delivered additional VAT collection of €7.8 million from distance selling businesses in 2018. Revenue’s strategy to improve e-commerce compliance has led to a €25.5 million increase in VAT receipts. This is slightly below the €30 million Budget 2018 target for this measure
- Revenue actions on anti-avoidance and transfer pricing directly contributed to an uplift in receipts of €3.3 million in 2018. Other compliance cases and international transfer pricing work, which is still ongoing, delivered savings to the Exchequer in excess of the €20 million Budget 2018 target for this measure.



Furthermore, Revenue analysis shows the overall Budget 2019 target of €50 million has been exceeded.

- Revenue actions following the implementation of PAYE Modernisation (from 1 January 2019) directly delivered additional Income Tax collection of an estimated €52 million from employers in 2019. There was a surplus of €178 million in PAYE Income Tax in 2019. Even if only €12.6 million of this (a tenth of the surplus less the direct additional yield) was due to Modernisation, together with the €52 million, this exceeds the €50 million Budget 2018 target for this measure

This analysis, for both 2018 and 2019 Budget compliance measures, shows that Revenue has met and, in all likelihood based on conservative and prudent assumptions exceeded the targeted additional yield in both years. The introduction of PAYE Modernisation, both pre and post implementation has been central to the additional receipts collected for the Exchequer.

Reports documenting these findings are published on the Revenue website at:

<https://www.revenue.ie/en/corporate/information-about-revenue/research/reviews/index.aspx>

EU Audit of Geographical Indication Verification Programme for Irish Whiskey and Poteen

EU Audit of Geographical Indication Verification Programme for Irish Whiskey and Poteen.

Geographical indication (GI) confers a type of intellectual property protection on a product which the European Commission seeks to protect in International trade agreements. On 29 January 2016 the European Commission agreed to include Irish Whiskey and Irish Poteen as products to be protected by GI status. This means that only whiskey and poteen produced on the island of Ireland, and manufactured in accordance with the strict technical specifications agreed by Department of Agriculture Food and the Marine and the European Commission, can be labelled and sold as Irish Whiskey and Irish Poteen.

On foot of a Memorandum of Understanding (MOU) signed with the Department of Agriculture, Food and the Marine (DAFM), and the Food Safety Authority of Ireland (FSAI), Revenue is responsible for the operation of the Geographical Indication Verification Programme for both Irish Whiskey and Irish Poteen.

Our responsibilities include:

- processing of application forms from producers for inclusion into the GI scheme
- collection of verification fees, and
- carrying out Geographical Indication visits for the purposes of verification.

In March 2019, the European Commission Directorate-General for Health and Food Safety (DG Santé), indicated its intention to audit Revenue's Geographical Indication controls and verification processes for Irish Whiskey and Irish Poteen. The DG Santé audit officially started in September 2019 at a number of distilleries. At the closing audit meeting, we were advised by the DG Santé Audit team that it was satisfied that the required Geographical Indication verification checks were being carried out by Revenue to a high standard. A full audit report will be issued by DG Santé in due course.

Making It Work

Staff Numbers

6,959 Staff

Female **63%**

Male **37%**



Recruitment & Promotion

899 Staff Recruited

506 Internal Revenue Promotions



Training & Development



46,415
Training Days



194
Graduates



351
ITI Qualifications

Females at Management Levels

PO **50%**

AP **52%**

AO/HEO **53%**



Internal I.T. Systems Certification



International Software Testing Standards Certification:

ISO/IEC/IEEE
29119

Making it Work: Our People and Structures

Our effectiveness in supporting compliance and tackling non-compliance is reliant on our on-going investment in our people and our technology, the use of targeted recruitment, a strong culture of governance and accountability along with adaptability in our structures.

We are a large organisation **with more than 6,950 staff in over 30 locations nationwide**. We rely on the skills, capability and professionalism of our people, the flexibility of our structures, and our ability to harness innovation in technology and business practices to carry out our role and achieve our goals.

We are committed to meaningful engagement with our people and ensuring they have the opportunity to contribute to our organisational development and planning. We recognise the need to continuously build capability, talent and leadership with recruitment, personal and professional development and investment in training and in technology.

We continue to develop and evolve **our structures** to ensure that we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance. Our *2018 Annual Report* outlined changes to our operational structure that reflected changes in our customer base, the evolving national and international tax and customs environment, and the benefit of technology improvements for our tax administration such as the PAYE Modernisation programme.

During 2019, we made some further refinements to our structure, including a review of our case base of, and threshold for identifying, high wealth individuals. As a result, the number of taxpayers being managed by our *Large Cases – High Wealth Individuals Division* increased from 478 to 2,000 (see feature article on page 50). Additionally, we established a Cross-Divisional structure to ensure the co-ordination of wealth related risk management across the tax base.

Within the context of our Workforce Planning framework, additional resources are being assigned to manage the risks in larger cases, including high wealth individuals. This process will also allow us to maximise the benefit of our geographic locations across the country and provide opportunities for a diversity of roles and responsibilities across the organisation.

High Wealth Individuals - Case Base Review

The adjustment of our structure is an ongoing process, influenced by a wide range of factors, both external and internal. We pro-actively and continually evolve to ensure that we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance. In 2018, following refinement of our structure to a nationally segmented taxpayer base, our Large Cases - High Wealth Individuals Division (LC-HWI Division) was established. An individual classified as a 'high wealth individual' will generally have complex financial transactions. Our LC-HWI Division is responsible, from a service and compliance standpoint, for all such individuals

At the start of 2019, the case base of LC-HWI Division consisted of:

- 200 individuals with net assets of > €50m. These are referred to as 'primary' cases
- 278 entities that are closely linked to the 'primary' individuals, including family members, partnerships, investment companies and trusts. These are referred to as 'secondary' cases.

One of our priorities for 2019 was to review the existing LC-HWI Division case base, and the threshold for designation of high wealth individuals. The review set out 12 defining criteria for the classification of 'high wealth' which were applied to three main sources of data:

- Revenue source data
- third party data
- external source data.

The recommendations of our review included:

- the introduction of a defined structured approach to the identification of HWIs
- the lowering of the threshold for defining HWIs from net assets of > €50m to ≥ €20m, and
- further research to be undertaken on an ongoing basis to set out additional criteria and to identify further individuals that come within the definition of HWIs.

As a result of implementing the recommendations, an additional 475 'primary' HWI cases and over 700 'secondary' HWI cases were identified and incorporated into the HWI case base. A detailed report on this review is published on our website at the following location: <https://www.revenue.ie/en/corporate/documents/research/case-base-review.pdf>

Since this initial report was published in June 2019, and as a result of further refining the criteria for the classification of 'high wealth', we have identified a further 360 'primary' HWI cases. Work is currently underway to identify the 'secondary' HWI cases related to these additional cases. We will continue to review the case base and the criteria for the identification of HWIs on an annual basis.

Following on from the review of the LC-HWI Division case base, we reviewed the methodology used by our Medium Enterprise Division (MED) to identify its HWI case base, which was defined by reference to a risk based criteria. The main recommendations from the review were as follows;

- retain the risk-based criteria which identified a case base of 450 HWI's, and
- adopt a wealth-based threshold whereby individuals exhibiting wealth of greater than €10m who are not already in MED or LC-HWI Division are included in the MED HWI case base.

The same set of 12 criteria and data sources used in the LC-HWI Division case base review were used to identify 529 individuals to be included in the MED HWI case base. The total MED HWI case base, determined using the risk-based and wealth-based criteria equates to 979.

Our People

Our staff are fundamental to everything we achieve. At the end of 2019 there were 6,959 permanent staff working in Revenue, equating to 6,619 full time equivalents. We focus on agility in response to emerging challenges, changes in the business and economic environment, and in taxpayer behaviour. We continually invest in our people to respond effectively to these changes and challenges, recruiting talented people and building and retaining internal capacity, talent and leadership.

We use **targeted recruitment** to ensure that we have the right people and skills. During 2019, we appointed 1,092 staff across all grades from open recruitment, interdepartmental and Top Level Appointments Committee (TLAC) competitions.

These comprised: 2 Assistant Secretaries, 6 Principal Officers, 59 Assistant Principals, 2 Solicitors, 77 Administrative Officers, 35 Higher Executive Officers, 210 Executive Officers, 693 Clerical Officers, 6 Services Officers and 2 Services Attendants.

We support and enable our staff to perform to the highest levels through a range of **skills and capability development programmes**. Against the backdrop of a continuously changing environment, emerging operational risks and the loss of experienced staff through retirement, we recognise that we need to continuously build skills, capability and knowledge. This ensures our people, as well as our structures, are adaptable and flexible.

During 2019, we provided 46,415 training days to staff, an increase of 16% on 2018. The training included technical training programmes to support compliance and address non-compliance, as well as leadership, management and soft skills training to develop the skills, capability and professionalism of our staff (Table 30). Our investment in training in 2019 helped us meet the challenges we faced due to Brexit, PAYE Modernisation and adjustments to our structure, and ensured we had sufficient trained frontline staff available to replace the significant loss of experienced officials through retirement.

To ensure our internal training is delivered to the highest standard, we have external accreditation in place for key programmes. To this end, we provide various programmes in partnership with professional bodies and third level institutions. A total of 351 staff received professional awards from the Irish Tax Institute in 2019, an increase of 5% on 2018. A further 196 staff graduated from the University of Limerick (UL) with third level qualifications in 2019, an increase of 22% on 2018.

Our customs training module is also accredited by UL and a certificate of study was awarded in January 2020 to 18 students who completed the programme in 2019. To date, 53 students have successfully completed the programme and a further 25 students are currently enrolled on the programme. Additionally, during 2019, we trained 372 staff on our *Trade Facilitation Programme*, 38 staff on the *Control Officer Programme*, 115 staff in *Customs Trader Support* and 164 staff on our *Enforcement Programme*. The provision of these training programmes are important steps in ensuring our staff can facilitate legitimate trade with minimum disruption, while confronting non-compliance in all its forms wherever it occurs.

Customs Certificate of Study



Certificates of Study from the University of Limerick (UL) were presented by Tom Collins, Director of National Centre for Taxation Studies at UL, to 18 staff members following their successful completion of the *Customs Technical Training Programme* which was designed and developed by Revenue Training Branch.

WCO Awards 2020



International Customs Day is celebrated across the world to honour the men and women who protect our borders and help facilitate trade. It coincides with the day the Customs Cooperation Council (CCC) held its inaugural session in 1953.

The 2020 awards ceremony was held in Bedford Hall, Dublin Castle on 24 January. In attendance were award recipients, local managers and specially invited guests. Our guest speaker was Mr. Philip Kermode, a Director in the European Commission's Taxation and Customs Union Directorate General.

The 2020 awards were dedicated to the contribution of Customs towards a sustainable future where social, economic, health and environmental needs are at the heart of our actions, with the theme "Customs fostering Sustainability for People, Prosperity and the Planet."

WCO Certificates of Merit were presented to 71 winners in total, comprising 5 individuals and 9 teams to recognise their exceptional performance in helping to facilitate the seamless trade flows of legitimate trade whilst confronting environmental, economic, health and social challenges.

We are committed to providing **continuous personal and professional development (CPPD)** to enable our staff perform effectively and to meet the challenges of operating in a fast-paced environment. Through our CPPD programme, we provide a range of interventions to build and maintain the capability of our staff and help them meet the changing demands of their role. In 2019, a comprehensive suite of courses enabled staff to take responsibility for their own development, improve their knowledge and skills and develop their expertise. Our staff are further supported through a variety of funding options that lead to recognised professional and 3rd level academic qualifications.

The '**OneLearning**' **Management System (LMS)** is a key component of Civil Service Renewal and underpins the Civil Service People Strategy and our own HR Strategy. In October 2019, we launched the new *OneLearning* LMS in Revenue. The LMS is a digital platform that provides access to a comprehensive suite of training courses provided by *OneLearning*. From a desktop portal, staff can express an interest in soft skills and ICT training and can enrol online. The system also facilitates the administration, tracking and reporting of organisational training activity.

In line with the vision of *Our Public Service 2020* to embed strategic human resource management in the public service, our staff were encouraged to enhance their capability and skills in HR practice. In 2019, 11 staff members were presented with Certificates and 2 with Diplomas in Human Resources Practice awarded by the Institute of Public Administration (IPA) and by the Chartered Institute of Personnel and Development (CIPD).



We recognise that our people are central to our approach and effectiveness in supporting compliance and addressing non-compliance. We have built strong **educational partnerships** with the University of Limerick (UL) and the Irish Tax Institute who assist us in continually investing in the learning and development needs of our staff and provide professional development opportunities that enhance the technical knowledge, skills and professionalism of our workforce.

Our partnership with University of Limerick, the first of its kind for the Irish Civil Service, has been in existence since 2004, delivering a number of programmes at both diploma and degree

level. To date, close to 1,500 Revenue employees have graduated from UL. In January 2020, Revenue Chairman Niall Cody and UL President Dr Des Fitzgerald signed the Service Level Agreement to accredit a new diploma programme for five years, with an option to extend for a further two years, at a ceremony in Plassey House, Limerick. Our deepening relationship with UL will help our people to respond to rapidly changing business environments by continually investing in their learning and development.



In 2019, over 560 of our people were awarded profession and/or third level qualifications. The graduation ceremonies are an opportunity for us to celebrate and publicly acknowledge the academic achievements of our staff.

University of Limerick awarded 214 third level qualifications to Revenue students in 2019. The qualifications included Diploma in Applied Taxation, BA (Hons) in Applied Taxation, Customs Certificates and MBA.

Our UL Graduates (January 2020)



The Irish Tax Institute (ITI) awarded professional tax qualifications to 351 Revenue in 2019. The qualifications included Diploma in Tax as well as Revenue Certificates in Income Tax and Payroll Fundamentals, VAT and Other Indirect Taxes, Capital Taxes and Corporation Tax.

Many students from previous years continued to develop their professional skills by progressing on to complete the Tax Technician and Chartered Tax Advisor programmes.



Staff Profiles

Lyndsay Smyth – Principal Officer

On secondment to Forum on Tax Administration in the OECD

I joined Revenue as an Administrative Officer in 2010 as an auditor in the Dun Laoghaire/Rathdown District. I transferred to what was then called Corporate Business & International Division in 2013. Following promotion to Assistant Principal in 2015 I was assigned to the Exchange of Information Branch in International Division. This challenging role gave me the opportunity to represent Revenue at a number of international meetings, and to work collaboratively with colleagues across several Divisions to deliver some large-scale projects during a period when the standards within the international exchange of information sphere were evolving at a very challenging rate.

I was promoted to Principal Officer in 2017 and was assigned to Personal Taxes Policy and Legislation Division. The scope within the Revenue Legislative Service to work with colleagues from across the organisation as well as external stakeholders as part of the legislative cycle and on interpretive matters was particularly engaging, and resulted in a varied and interesting assignment.

In 2018, I was offered a role as a Senior Advisor with the Forum on Tax Administration in the OECD in Paris. I was granted special leave from Revenue to take up this position. This posting has provided me with invaluable experience of the functioning of tax administrations across the world, and exposure to the latest developments in tax internationally at a time when changes in international tax policy are set to have a massive impact in Ireland.

Throughout my career in Revenue so far, I have been lucky enough to be placed in interesting, challenging and varied roles, and at each stage have benefited from the support, guidance and friendship of some wonderful colleagues. I look forward to returning from my period of special leave to apply the knowledge and experience I have gained, and to catch up with those great colleagues and friends.



Joe Ryan – Revenue Customs Attaché, Brussels

Customs Division

I joined the Civil Service from school in 1976 and enjoyed a variety of interesting and varied roles in the Department of Defence, the Department of the Gaeltacht and the Houses of the Oireachtas before moving to Revenue in 1990.

My first role with Revenue was based in Dublin Castle dealing with direct taxes issues before decentralising to Nenagh in 1992. With 100% turnover in staff in my Unit, managing the decentralisation process was an immensely challenging but very rewarding experience, which ultimately resulted in significantly enhanced customer service and improved working methods.

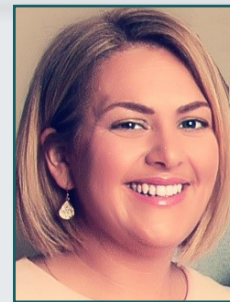
In 1996, I was introduced to the world of Customs when I moved to the Tariff Classification Unit. After that, I gained experience on a broad range of Customs policy and legislation issues, including extensive work on the Modernised Customs Code, Modernised Customs Code Implementing Provisions and the Union Customs Code. I also worked on national legislation, primarily in respect of Customs mutual assistance matters.

In August 2014, I was appointed to the role of Customs Attaché at the Permanent Representation of Ireland to the European Union (EU). Based in Brussels, the 'Perm Rep', as it is better known, brings together under one roof civil servants from nearly every Irish Government Department. Its main function is to promote and represent Ireland's interests in the EU. I play a central role in developing and representing Ireland's position on Customs matters not only within the EU but also within the World Customs Organisation (WCO), which has its Headquarters in Brussels. A key part of my role involves developing and maintaining effective and on-going relationships with a wide range of officials, particularly in the European Commission, the EU Council Secretariat, other Customs Administrations, trade interests and the WCO. I have enjoyed this position immensely and I am proud of the fact that I have helped to promote the interests of both Revenue and Ireland in a practical and hands-on manner in an international environment.

On World Customs Day this year, I was delighted to receive a Customs Merit Award, based on nominations by my fellow Attachés, in recognition of my contribution to the EU and International Customs Community.



Teresa Coughlan – Administrative Officer



Planning Division - Strategy, Evaluation and Reporting Branch

After graduating with a Bachelor's Degree in Marketing and Management I began a successful career in marketing and sales in the English as a Foreign Language (EFL) industry, where I worked for over 10 years. While I was happy working in the private sector, I was always attracted to the civil service. When an opportunity arose to apply for a position in Revenue, I took it and joined as an Administrative Officer in 2016.

I was enrolled on the AO Graduate programme which combined soft skills training for managers and an introduction to the civil service. It provided a good space to exchange ideas, share experiences and build a network of contacts. My participation on the course gave me a good foundation for my future career within Revenue.

I was assigned to the Corporate Performance Unit, where I was responsible for the delivery of top-level management reports. This work was far reaching, and I liaised with all divisions within Revenue and with colleagues at every level of the organisation. This role was a great skills match for me as I had a background in relationship building and communicating complex information.

For self-development and to broaden my tax knowledge, I enrolled in the ITI Diploma in Taxation which was sponsored by Revenue. The knowledge I gained on this course was applied in my role as Revenue's coordinator for the International Survey of Revenue Administrations (ISORA). As part of my training I had the opportunity to travel to Budapest and meet my counterparts from other tax jurisdictions.

My current role is with the Strategy, Evaluation and Reporting Branch in Accountant General and Strategic Planning Division. In 2019, I was asked to project manage the design and content for Revenue's newest Statement of Strategy. I found this role to be both exciting and challenging. It helped me to develop new skills and engage with colleagues throughout the organisation in a meaningful way. My involvement with this project gave me great job satisfaction.

The support I have received in Revenue has been exceptional and I am proud to be a part of this organisation. I would strongly recommend Revenue as a career choice.

David O'Connor – Higher Executive Officer



Revenue Solicitors Division – RSO Support Services

I joined Revenue in January 2016 as a Service Officer, after serving a decade with the Irish Defence Forces as a mechanic.

My role as a Service Officer included having responsibility for postal deliveries, manning the reception desks and other administrative tasks. I enjoyed and took pride in being the first point of contact the public had with Revenue whilst servicing the reception desks. The role of Service Officer allowed me to meet so many different personnel across Revenue. I was impressed with Revenue's culture of commitment and development of its staff. In September 2016 I began studying for an LLB (Hons) law degree at evening classes, assisted by Revenue through the Refund of Fees Scheme. In 2018 I was promoted to Executive Officer through an open competition and was assigned to the Legal Support Unit in the Revenue Solicitor's Division. In that role, I had responsibility for managing the recovery and payment of legal costs associated with court cases taken by and against Revenue. I also had the opportunity to develop my legal knowledge by researching various legal issues for the solicitors in the office. This research work was a great help to me while studying for my law degree.

I was delighted that my hard work was recognised and in 2019, I was promoted to the grade of Higher Executive Officer and was retained in the Revenue Solicitor's Division. I am now the Knowledge Management Officer for the Division, charged with structuring the vast body of information in the Division to ensure continued access for all staff that need it. I have line management responsibility for staff dealing with legal costs, court appearances and research matters.

In 2019, I was also conferred with a Bachelor of Laws LL.B and I would aspire to become a solicitor in due course. Revenue enabled me to obtain a third level qualification which had been an aspiration of mine for years and provides me with a rewarding career. Through this investment, I have been able to advance from an entry-level to a middle management position. I know I will continue to develop personally and professionally with Revenue.

Our Culture

We are extremely proud of our culture of integrity, openness and accountability. We support and engage with taxpayers, and each other, with respect, courtesy and professionalism while encouraging innovation and embracing individuality.

We support our people through meaningful staff engagement, by promoting health and workplace wellness and by providing opportunities for development. Our commitment to **deepening employee engagement** at all levels across the organisation is a key priority. We work together in a partnership approach, maximising engagement and supporting involvement, innovation and high performance to support our continuous improvement.

During 2019, we revised our local partnership groups to mirror our new organisational structure. Our *Central Partnership Committee* met 5 times during 2019. The Committee is chaired by the Chairman and attended by the Board along with representatives from management, unions and staff. We engaged extensively with our people when devising our new *Statement of Strategy 2020 – 2022* including a renewed focus on our core values (see feature article). Our Statement of Strategy informs our key corporate priorities each year, with our staff actively involved in divisional business planning in support of these priorities.

Through positive and continuous engagement at all levels of the organisation we continue to further embed our *Values*, our *Employee Engagement Charter* and our *Public Sector Duty* obligations through tangible support for staff and their wellbeing. We are committed to supporting and enabling our staff to perform at the highest levels and to play a meaningful and valued role in our organisation.

We have built a strong culture of acceptance and **equality** among our staff, and towards taxpayers, ensuring that **human rights** are respected, and our Public Sector Duty Action Plan is implemented. All our staff are trained in Equality and Diversity as part of their induction training. In 2019, we established a Partnership Intensive Group to review and revise our Equality and Diversity Strategy and Public Sector Duty Action Plan.

As an employer of almost 7,000 staff, we recognise and respect **diversity** in sexuality and gender identity and are committed to improving inclusion in the workplace. In 2019, we established an *LGBT+ Staff Network* and steering committee who will work with other Civil Service Departments to develop a civil and public service wide *LGBT+ Employee and Ally Network* which is a key component of the recently published *National LGBTI+ Inclusion Strategy*. For the first time in our organisation's history, Revenue took part in Dublin Pride on 29 June 2019. Revenue staff along with 600 other civil and public servants marched behind the banner '*Proud to work for Ireland*'.

Placing Staff Engagement at the Heart of Revenue's Statement of Strategy 2020-2022



Minister for Finance Paschal Donohoe addresses Revenue's Senior Management Conference in June

During 2019, we started to develop our *Statement of Strategy 2020 – 2022*, outlining our goals and objectives for the next three years. As part of this process we took the opportunity to reflect on our values and our vision.

Our new *Statement of Strategy* was developed through an extensive consultation process with stakeholders, with the views of our staff at the centre of this. Staff contributions were gathered through Senior Management Conferences, workshops, team meetings and an internal webpage.

Much of the preparation and consultation focused on our core values. Our previous *Statement of Strategy* defined eight values, all very applicable to a tax administration and a civil service organisation body but in need of refreshing. Through the staff engagement process, colleagues across the organisation came together to propose new values for a modern tax administration and a modern employer.

Our new values are fewer and more encompassing. They define our culture. They are core beliefs that staff relate to and embody, and that external stakeholders can appreciate and respect. The staff engagement process gave ownership of the core values to our staff. They are practical and act as a guide to our staff for their interactions with colleagues and with taxpayers.

Respect

We presume honesty on the part of taxpayers in their dealings with us. When we have reason to believe otherwise, we act on that. We treat people with dignity at all times.



Professional

We are professional in our work, with a focus on quality, timeliness, accuracy and consistency.



Collaboration

We work in partnership with colleagues, taxpayers and stakeholders nationally and internationally. We actively contribute to the achievement of shared objectives across the Civil Service and Public Sector.



Agility

We are flexible and responsive. We support and encourage staff to be innovative and to continuously improve how we work.



Integrity

We are honest, accountable and transparent. When we make a mistake, we acknowledge this and fix it.



Revenue's new Statement of Strategy 2020 to 2022 was approved by Cabinet, laid before the Houses of the Oireachtas and published in December 2019:

<https://www.revenue.ie/en/corporate/documents/governance/sos-2020-2022.pdf>.



Revenue staff attending Senior Management Conference in June

We are committed to equality and actively support initiatives to improve **gender balance** at all levels and have made significant advances in this regard over the last 6 years (Table 25).

On International Women's Day 2018, the Government announced the Gender Pay Gap Information Bill. When enacted, the Bill will require particular employers to publish information in relation to the remuneration of their employees by reference to gender. In advance of this Bill coming into law, we have proactively analysed our salaries and payroll data.

The gender pay gap is defined as the relative difference in the average annualised gross earnings of women and men within the economy as a whole or in an individual organisation. The average (median) salary earned by a Revenue employee was €41,400 in 2019. The average salary women received was €38,700, while men received €45,900. Taking the difference in salaries, this represents an average gender wage gap of €7,200 or 18% in Revenue.

The gender pay gap is distinct from the concept of unequal pay. Revenue and Civil Service pay structures are fully transparent and predictable, they do not allow for the operation of unequal pay caused by gender discrimination. Analysis of Revenue's gender and pay data shows that 74% of the gender pay gap is explained by differences in grade (greater share of female employees work at clerical grades). A further 24% of the gender pay gap is explained by differences in working patterns (women in Revenue are five times more likely to work part-time). The remaining 2% of the gender pay gap is due to patterns of non-basic pay (women tend to earn lower amounts, on average, of non-basic pay such as overtime).

Our analysis shows that once factors like part-time work, starting dates to pay scales and grades are accounted for, the gap is effectively eliminated.

Innovation

We continue to invest in our IT capability, developing innovative business solutions that help drive efficiency and quality through the optimum use of technology.

In 2019, we continued our **Artificial Intelligence** pilot project to assist with calls to our Tax Clearance helpdesk. The pilot included the development and initial training of a customer facing conversational bot (Virtual Digital Agent) targeted at automatically handling a portion of taxpayer contacts. The VDA integrates with our telephony platforms and core back-end systems, utilises smart-suggestions for the conversation flow and provides the capability to transfer the call to a Revenue officer, if needed. It leverages AI technologies provided by a number of cloud-based service providers to perform Speech-to-Text, Natural Language Processing, Speech Synthesis and Machine Learning.

The VDA, which is used to respond to queries from eTax Clearance callers, required a set of technologies that had never been employed in any Revenue agency around the world. The customer's information is called up instantly at the start of the call, and then the VDA asks intuitive questions based on that information. It listens to the customer's query, and then translates that speech to text, interprets that text and formulates a suitable reply using cutting edge AI technology. Finally, the text of the reply is converted into speech using similar technology. This all happens almost instantaneously. In 2019, approx. 10,000 calls were routed through the VDA.

In June 2019, the VDA won the award for the *Best Use of Artificial Intelligence in Government* at the 2019 CogX awards. CogX is the world's leading AI festival with over 15,000 people in attendance from the highest levels of business, Government, industry and research. The CogX awards celebrate the best of the best in AI and emerging technologies.

Maintaining our current IT systems, which in turn support Revenue in conducting its

core business functions, is essential. Therefore, we continuously refresh our technology infrastructure to reduce our technical debt and strive to take advantage of suitable new technology opportunities to further improve our services. In 2019, we initiated analysis to support and advance this technology modernisation at a rate that reflects the ever-increasing pace of technology change. This programme of work will enable us to invest strategically in our technology choices to support innovative and dynamic systems in the area of real-time activity and automated programmes.

The development and support of an analytics “data lake” has significantly enhanced the capabilities of our data analysts by broadening the data, metadata and toolsets available for exploration, visualisation and predictive analytics.

Significant maintenance and enhancement (M&E) has been undertaken on our Customs systems to handle increased transaction volumes expected as a result of Brexit and to deliver mandatory EU changes. Additionally, work has continued on the implementation of the first phase of Union Customs Code (UCC) compliant services following the completion of a competitive tendering process. The UCC is a multi-year EU programme to modernise Customs across all member states. It provides a comprehensive framework for Customs rules and procedures in the EU customs territory adapted to modern trade realities and modern communication tools. It is spread over 9 years in line with the European Commission’s timelines for deployment with the first project delivery in 2020.

We continue to provide, and further extend, shared computing facilities to other public sector bodies from our Data Centre with over 40 different organisations availing of this service. This hosting service provides estimated savings of at least €2 million per annum to the organisations hosted. We are also continuing to provide printing and mailing services to a number of organisations (approx. 0.5 – 1 million items per month).

Taxpayer Confidentiality

Safeguarding our taxpayers’ confidentiality continues to be a priority. We have a legal duty to protect the confidentiality of taxpayer information. Taxpayers’ personal data is treated with the highest standards of security and confidentiality.

Our internet facing sites are **ISO27001 certified**. Surveillance audits are carried out every 6 months with full re-certification every 3 years, most recently in October 2018. Personal information displayed from our website is encrypted using a 256-bit Extended Validation (EV) SSL certificate, signed by a publicly trusted certificate authority. Taxpayers can verify that the page is secure by looking for a padlock icon in their browser.

We publish an increasing amount of statistics and research on tax receipts and costings of tax policy options (discussed further in feature article on page 32). In doing this, there is a need to balance the expectations of the public, researchers, Government and the Oireachtas for information with our requirements with data protection rules and the need to protect the confidentiality of taxpayer information.

To ensure that the successful protection of taxpayers’ data is central to our publication of statistics, We maintain a Statistical Disclosure Control policy⁷, which was updated in 2019 and published on our website at: <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>.

⁷ <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>.

Public Service Reform & Civil Service Renewal

We play an active role in the ongoing implementation of the Civil Service Renewal Plan and in Public Service Reform.

Some achievements related to the high-level outcomes for the public service in 2019 include:

- Civil Service Excellence and Innovation Awards Winner 2019 in the 'World Class Civil Service' category for our PAYE Modernisation Project
- the introduction of a new Debt Management System to facilitate more effective management of Revenue debt
- the introduction of a new ICT pipeline prioritisation process offering a route for small, innovative and strategic projects to be assessed for development
- a new Human Resources Strategy and Action Plan.

The Revenue Choir



The Revenue Choir with Dublin's Lord Mayor, Paul McAuliffe

2020 sees the Revenue Choir celebrating 15 years in existence. The choir has 40 members, both serving and retired Revenue staff, covering all ages from 20 something to 80 something. Over the years the choir has gone from strength to strength, a testament to the dedication of the choir members and their supporters.

In recent years the Revenue Choir has had the opportunity to sing for local, national and international audiences in some very notable venues including Farmleigh House, Dublin Castle, Christchurch Cathedral and the National Concert Hall as part of the marking of the Annual National Services Day. The choir also sing at various Revenue functions including Revenue's Long Service Awards.

Each year, the choir raises much needed funds for locally nominated charities by performing recitals at Christmas time and coming into the summer. These recitals are supported by colleagues, friends and family and have raised a total of €68,000 over the years.

Governance

The Revenue Board comprises three Commissioners, appointed by the Taoiseach, one of whom is appointed by the Minister for Finance as Chairman. The Board has statutory responsibility to carry out its functions. Our governance structures are designed to enable us to achieve our strategic goals, deliver our business programmes cost-effectively, and meet all our regulatory requirements.

Our *Corporate Governance Framework*⁸ is updated regularly and published on our website. It sets out the framework of principles, structures and processes that govern and guide the way we do business. It dictates the shared philosophy, practices and culture within Revenue, which along with our structures and arrangements determine how we deliver on our mission and ensure quality outcomes.

Our *Statement of Strategy 2020 - 2022*⁹ was published in December 2019.

During 2019, our **Risk Management Committee** actively monitored and updated our *Corporate Risk Framework* to ensure that appropriate actions were taken to mitigate risks that could impact on the achievement of our corporate objectives. The risk committee undertook a programme of awareness sessions with all divisions in late 2019 to ensure effective ownership and management of risks.

The Board is committed to maintaining and supporting a quality **Internal Audit** function. This function is carried out by the Internal Audit Unit (IAU) operating with the direct authority of the Board and under the general supervision and guidance of the Audit Committee. IAU operates in adherence to the Internal Audit Standards issued by the Department of Public Expenditure and Reform to provide independent objective assurance that the systems, processes and procedures that underpin our activities are properly and effectively managed, or otherwise to recommend corrective measures as appropriate.

The internal audit programme is informed by our Internal Audit Universe, Corporate Risk Register, Annual Corporate Priorities and Statement of Strategy. In 2019, 33 audits, comprising 15 internal audits and 18 follow-up audits were completed.

The **Audit Committee** oversees the Internal Audit function in Revenue and advises the Board in relation to its operation and development. The Committee reports to the Chairman as Accounting Officer and assesses governance arrangements including those related to risk management and internal controls. The Committee met 5 times in 2019.

Audit Committee Membership

- John Murphy, Chairman of the Audit Committee, former Secretary General of the Department of Jobs, Enterprise and Innovation
- Prof. Barbara Flood, Full Professor of Accounting, Dublin City University Business School.
- Helen Hall, Chief Executive, Policing Authority
- Dr. Paul Lyons, Adjunct Assistant Professor, Trinity Business School, Trinity College Dublin
- Gerard Moran, Assistant Secretary, Indirect Taxes, Policy and Legislation Division, Revenue.

⁸ <https://www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf>

⁹ <https://www.revenue.ie/en/corporate/documents/governance/sos-2020-2022.pdf>

Protected Disclosures Act 2014

We foster an appropriate environment for our workers to raise concerns relating to wrongdoing or potential wrongdoing in the workplace and provide the necessary support for workers who raise genuine concerns. One protected disclosure was received from a staff member in 2019.

Our Director of Internal Audit is a 'prescribed person' to receive external disclosures on matters relating to the assessment, collection and management of taxes and duties. One external disclosure was received by the Director of Internal Audit in 2019.

The '*Revenue Policy on Protected Disclosure Reporting in the Workplace*'¹⁰ is published on our website.

In 2019, we joined the *Integrity at Work* programme, an initiative of *Transparency International Ireland* to promote a supportive working environment for anyone reporting concerns of wrongdoing. Through our membership, we have made a public commitment to fostering an ethical workplace in which staff feel safe to raise concerns of potential wrongdoing and to providing the necessary supports to staff who raise genuine concerns. As part of our commitment to protecting workers who raise concerns of wrongdoing, the Revenue Board signed the *Integrity at Work Pledge* in May 2019 ensuring that workers reporting wrongdoing will not face penalisation and that action will be taken in response to the concerns raised.

Ethics, Standards and Behaviour

All Revenue officials adhere to the principles, standards and values set out in the *Revenue Code of Ethics* and *The Civil Service Code of Standards and Behaviour*. In 2019, staff at Assistant Principal level and above, as well as officials in certain designated positions, submitted a Statement of Interests under the Ethics in Public Office Acts 1995 and 2001.

In accordance with Section 6(4) of the *Regulation of Lobbying Act 2015* the names, grades and brief details of the role/responsibilities of the "Designated Public Officials" in Revenue are published on our website.

We are committed to fulfilling our **data protection obligations** and will process personal data in accordance with data protection legislation.

We protect the integrity of data supplied to us by our taxpayers and third parties and, in 2019, we continued to increase awareness of and improve compliance with data protection among our staff members.

Our **Programme Management Office (PMO)** is responsible for ensuring that a consistent governance approach is leveraged across all IT projects. The Project Board and Steering Committee are the project level structures that have responsibility for the observance of this approach ensuring that ICT projects are monitored and reported accurately over time.

In line with Action 17 of the Civil Service Renewal Plan to improve project management capacity, our **Business Project Management Unit** provides advice and support on project governance and management to national Revenue Business Projects. The team reports directly to the Business Management Executive in respect of such business projects. The unit also ensures that the planned operational and business benefits from major business and ICT projects are effectively monitored.

¹⁰ <https://www.revenue.ie/en/corporate/statutory-obligations/protected-disclosures/protected-disclosure.pdf>

Freedom of Information (FOI)

In 2019, we received 337 FOI requests (Table 27) and we continue to work with the Department of Public Expenditure and Reform (DPER) to ensure the efficient and effective operation of the Freedom of Information Act 2014 in Revenue.

Complaints

Taxpayers who are dissatisfied with Revenue's handling of their tax affairs can have their case reviewed either internally by a senior Revenue officer, or by an External Reviewer. In 2019 we accepted 2 requests for internal review, and 11 for external reviews (Table 26). The Ombudsman received and finalised 42 complaints relating to Revenue (Table 27).

Oireachtas Committees

In 2019, the Chairman and other Revenue officials appeared before a number of Oireachtas Committees, including the Committee of Public Accounts, the Select Committee on Budgetary Oversight and the Joint and Select Committees on Finance, Public Expenditure and Reform, and Taoiseach.

Other Governance Matters in 2019

- Cost of Administration as a percentage of Gross Collection was 0.75%
- we are compliant with Prompt Payment of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 (Table 28). Our Prompt Payment Returns are published on our website. 92% of all payments were made within 15 days.
- we provided responses to 946 Parliamentary Questions and responded to 266 Representations from Public Representatives.
- we continued our commitment to energy saving in the workplace and our involvement in the OPW Energy Awareness Campaign 'Optimising Power @ Work'. In our Resource Efficiency Action Plan 2020-2022, we have set out a number of measures to optimise our energy efficiency and ensure that environmental concerns are an important factor in our decision-making. The plan will ensure that the foundations and structures are in place to achieve further reductions in the coming years and provide a platform to seek ISO 50001 accreditation for energy management.

Senior Management Changes

Following Top Level Appointments Commission (TLAC) competitions, the Minister for Finance, Mr Paschal Donohoe, appointed two new Assistant Secretaries in 2019:

- Following her appointment on 12 August 2019, the Board assigned Orla Fitzpatrick to Medium Enterprise Division.
- Following her appointment on 16 September 2019, the Board assigned Orla Campbell to Corporate Services Division.

Revenue Management Committee at Assistant Secretary Level



John Barron
Information, Communications Technology and Logistics Division

Responsible for the provision of secure, reliable and quality information and communications technology services and innovation, adaptability and new advances in technology. Also responsible for the management and delivery of logistical services central to running Revenue.



Brian Boyle
Account General's & Strategic Planning Division

Responsible for overseeing the development and implementation of business policies, monitoring and evaluating national tax compliance risks. Responsibilities also include performance measurement and reporting, statistics and economics research. Also responsible for financial and information management, banking functions, communication and knowledge management functions.



Philip Brennan
Personal Taxes Policy and Legislation Division

Responsible for the development of personal tax and capital taxes policy at national and EU level and for managing policy, legislation and interpretation functions for personal and capital taxes (excluding capital gains tax).



Noel Brett
Business Division

Responsible for the management and development of service, compliance and audit functions for entities registered for VAT, RCT, Customs and Excise. Also responsible for excise license entities with trade or professional income, Proprietary Directors and Subsidiaries/Parent of Business Division companies.



Orla Campbell
Corporate Services Division

Responsible for Revenue's human resource management strategies, including workforce planning, recruitment, training and capability development, organisation development, administrative budget management, internal audit, governance, information compliance and corporate reform.



Florance Carey
Customs Division

Responsible for the development of Customs legislation and systems and for ensuring the implementation of customs controls. Also responsible for influencing the development of EU policy on all customs related matters, including implementation of the EU Union Customs Code and representing Revenue's and Ireland's interests at various international fora.



Eugene Creighton
Large Corporates Division

Responsible for the management and development of service, compliance and audit functions for the largest business customers in the State and also for certain entire sectors, such as, banking, insurance, aircraft leasing, "Section 110 companies" and investment funds. Also responsible for challenging corporate tax avoidance transactions including abusive transfer pricing.



Jeanette Doonan
Business Taxes Policy and Legislation Division

Responsible for the policy, legislation and interpretation functions for capital gains tax (CGT), corporation tax, incentives, financial services and other business taxes.



Orla Fitzpatrick
Medium Enterprise Division

Responsible for the management and development of service, compliance and audit functions for medium enterprises and Proprietary directors, Subsidiaries/Parent of Medium Enterprise Division companies, Government Departments and Public Bodies. National responsibility for the delivery of the Revenue Technical Service (RTS).



Joe Howley
Collector General's
Division

Responsible for the collection of taxes and for the implementation of debt management programmes, including appropriate interventions to maximise timely compliance. Also responsible for debt enforcement action against those who fail to comply.



Marie-Claire Maney
Revenue Solicitors
Division
Investigations
and Prosecutions
Division

Responsible for providing comprehensive legal support services for Revenue including in the conduct of litigation and appeals and in the prosecution of criminal offences and responsible for the management, development and co-ordination of Revenue's investigations and prosecution activity.



Gerard Moran
Indirect Taxes,
Policy and
Legislation Division

Responsible for the development of indirect tax policy at national and EU level and for ensuring the efficient and effective administration of VAT, Excise and Vehicle Registration Tax.



Eamonn O'Dea
International Tax
Division

Responsible for international engagement (bilateral, EU and OECD-related) on direct taxation policy and on operational matters that include transfer pricing-related negotiation and exchange of information with other tax authorities. Also responsible for monitoring and updating Ireland's tax treaty network.



Declan Rigney
Personal Division

Responsible for the management and development of service, compliance and audit functions for individuals with PAYE income only or with self-assessed non trading/professional income; and other entities such as trusts, charities, sporting bodies. Also responsible for the co-ordination of Irish Language services.



Breda Ruddle
Large Cases - High
Wealth Individuals
Division

Responsible for the management and development of service, compliance and audit functions for the wealthiest individuals in the State, Pension/Insurance schemes and Retirement funds. Also responsible for challenging tax avoidance transactions using the General Anti-Avoidance Rule.

Financial Management

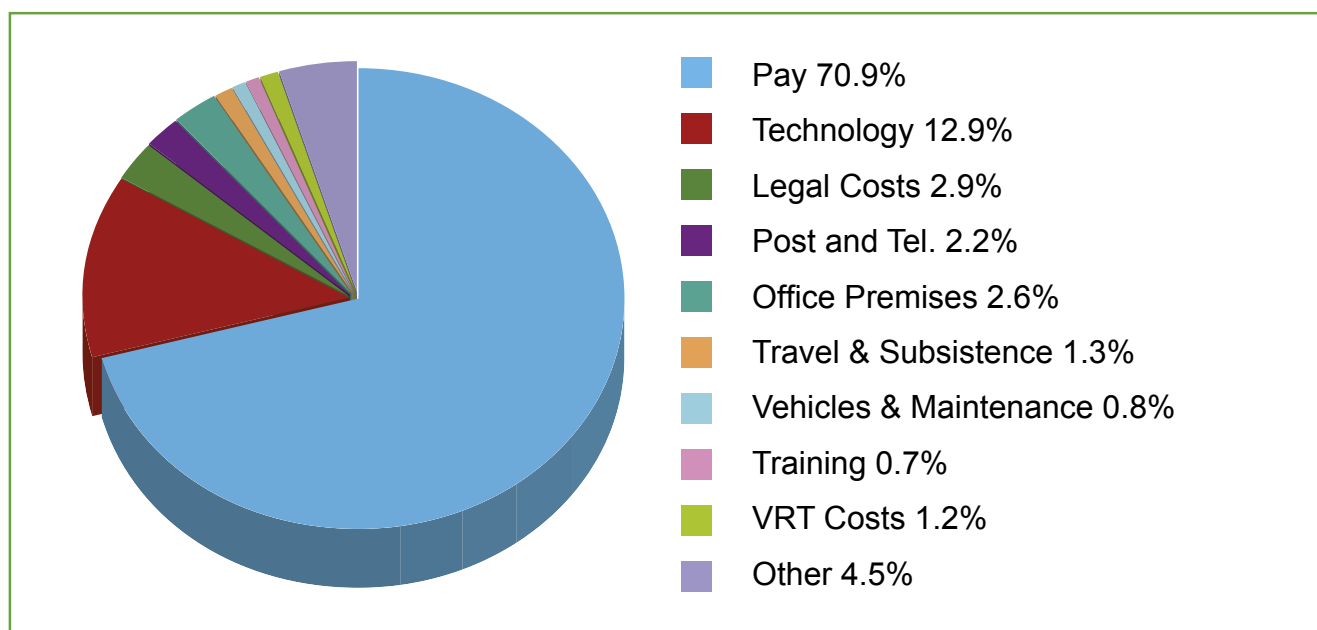
Each year Revenue prepares and submits the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the Appropriation Account of the expenditure for the Office of the Revenue Commissioners to the Comptroller and Auditor General for audit.

The audited 'Account of the Receipt of Revenue of the State' collected by Revenue for 2019 was presented to the Oireachtas on 27 April 2020. The gross and net Exchequer and Non-Exchequer receipts figures are available at Tables 1 and 2 respectively in this report.

The Appropriation Account of the amount expended by Revenue in relation to salaries and expenses in the year ended 31 December 2019 has been submitted to the Comptroller and Auditor within the statutory timeline. In accordance with the Comptroller and Auditor General (Amendment) Act 1993, the audited account will be published by September in the Report on the Accounts of the Public Services. The account will be published and available at **www.audgen.gov.ie**. As such, figures referred to below are provisional and will be finalised on completion of the audit of the Revenue Appropriation Account by the Comptroller and Auditor General.

Financial Performance

In 2019 Revenue's expenditure on the administration and collection of taxes and duties and frontier management amounted to €449.83 million. This included a Supplementary provision of €4.104 million in respect of critical Brexit infrastructure at Dublin Port, Rosslare Europort and Dublin Airport. Revenue received Appropriations in Aid of €69.7 million in 2019, mainly from receipts for services relating to PRSI and a share of custom duties collected from the Single Authorisation for Simplified Procedures. Appropriations in Aid was almost €2.2 million more than forecasted. A surplus of €2.53 million is liable for surrender to the Exchequer.



Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners
in the year ended 31 December 2019**

Contents	Page
Statement by Accounting Officer on Internal Financial Control	73 - 75
Report of the Comptroller and Auditor General	76 - 77
Accounting Policies	78 - 80
Account of the Receipt and Disposal of Revenue collected	81
Statement of Balances	82
Notes to the Account	83 - 87

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Statement by Accounting Officer on Internal Financial Control

Responsibility for system of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office to identify potential risks and ensure an appropriate mitigation strategy is in place. Mitigations used to manage risk include:
 - Revenue's governance structures.
 - Environmental scanning to ensure Revenue is aware of influences that affect risk.
 - Integrated strategic/business planning and Risk Management system that regularly reviews risks at Organisational, Divisional and Branch level.
 - Project management methodologies for all significant projects.
- There are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written Internal Audit charter. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Risk and Control Framework

This Office has implemented a risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing this Office and these have been identified, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated in to Revenue's strategic and business planning process. The register is reviewed and updated on a quarterly basis by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from Divisional management when determining whether there should be changes to the priority or ranking of a risk.

A Data Protection Unit is in place which has responsibility for the overall management and administration of data protection in Revenue. A Data Protection Officer, whose primary role is to ensure compliance with the General Data Protection Regulation (GDPR) and with Revenue data protection policies, is also in place.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that this Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within this Office are responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2019 that resulted in, or may result in, a material loss.

Customs Controls

A report of an EU Commission inspection, carried out in 2019, identified issues in relation to the control strategy for customs values and repayments claims. Revenue has responded to the Commission with an evidence-based reply challenging the validity of most of the findings and is awaiting a reply from the Commission.

Impact of the COVID-19 Pandemic

Since the end of the reporting period, the economy and Revenue operations have been significantly impacted by the effects of the COVID-19 pandemic. However, Revenue continues to carry out its vital role as a tax and customs administration to the greatest extent possible having regard for the safety and well-being of both staff and taxpayers. The necessary safety measures include the suspension of general compliance visits to taxpayers' premises.

Revenue has implemented a range of measures to support businesses that are suffering cashflow or trading difficulties at this time of unprecedented challenge. The measures include the suspension of all debt collection/enforcement activity, the suspension of interest on late payment charges for Small and Medium Enterprises generally and for other businesses on a case by case basis, and the prioritisation of refunds and repayments processing to assist cashflow challenges. Revenue has also maintained tax clearance status for previously viable businesses that are now experiencing tax payment difficulties.

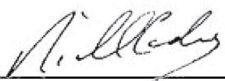
Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Revenue also assumed responsibility for the administration of the Temporary Wage Subsidy Scheme (TWSS), which is a key component of the Government's response to the COVID-19 pandemic. The system design for the Scheme, which is being funded by the Department of Employment and Social Protection and was required to become operational within a very narrow timeframe, is built around Revenue's PAYE real-time infrastructure (PAYE Modernisation). The use of the PAYE system allows Revenue to analyse the level of payments being claimed by employers versus the number of employees registered (with the employer). Revenue's banking systems also facilitate payment to the employer within two days of the claim being received.

While Revenue is satisfied that the measures being adopted in response to this national emergency are necessary and proportionate at this time, there are, undoubtedly associated risks. The Risk Management Committee will update Revenue's Risk Register in the very near future to take account of the specific risks arising from the COVID-19 pandemic and will document appropriate countermeasures to address these. This will include both risks to Revenue's performance as an effective tax and duty administration arising from the pandemic and any additional compliance risks arising from the administration of the Temporary Wage Support Scheme.

Implications for Tax Receipts

It is not possible to accurately forecast the impact of the COVID-19 pandemic on tax receipts for 2020 at this time. The receipts for March 2020 gave the first indication of the possible impact on the expected outturn. However, as receipts collected in March largely relate to liabilities for the period before the onset of the crisis, the impact on that month's receipts was lessened. While most taxes were reasonably close to target for March, VAT receipts were significantly below the level of March 2019, offering a possible guide to the potential magnitude of the wider impact over time. Receipts performance will be kept under constant review by Revenue and the Department of Finance as the months progress.



Niall Cody
Accounting Officer
Office of the Revenue Commissioners

16 April 2020



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

Account of the receipt of revenue of the State collected by the Revenue Commissioners

Opinion on the account

I have audited the account of the receipt of revenue of the State collected by the Revenue Commissioners for the year 2019 as required under the provisions of Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993. The account comprises

- the account of the receipt and disposal of revenue collected
- the statement of balances
- the related notes, including a summary of significant accounting policies.

In my opinion, the account properly presents the receipt and disposal of the revenue collected for the year ended 31 December 2019 and the residual balances at that date.

Basis of opinion

I conducted my audit of the account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Revenue Commissioners and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. I also take assurance from my examinations of Revenue's collection systems.

Report on information other than the account, and on other matters

The Revenue Commissioners have presented a statement on internal financial control together with the account. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 April 2020

Appendix to the report

Responsibilities of the Revenue Commissioners

The Revenue Commissioners are responsible for

- the preparation of the account
- ensuring that the account properly presents the receipt and disposal of the revenue collected
- ensuring the regularity of transactions, and
- such internal control as they determine is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993 (the Act) to audit the account of the receipt of revenue of the State collected by the Revenue Commissioners and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I evaluate the overall presentation, structure and content of the account, including the disclosures, and whether the account properly presents the underlying transactions and events.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit

Information other than the account

My opinion on the account does not cover the other information presented with the account, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the account, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to the management and operations of public bodies. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

Revenue collection systems

Under Section 3 (7) of the Act, I also carry out examinations on a cyclical basis in order

- to ascertain whether the systems, procedures and practices established by the Revenue Commissioners are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State
- to satisfy myself that the manner in which those systems, procedures and practices are being employed and applied is adequate.

As provided under Section 3 (10) of the Act, I report each year on the results of my systems examinations in my Report on the Accounts of the Public Services.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Accounting Policies

Introduction

This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners and the transfer of the proceeds to the Exchequer. The Account also presents non exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States as detailed under Receipts and Repayments.

No administration or operational costs of the Office of the Revenue Commissioners are included in this Account. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.

The Account has been prepared pursuant to Section 3(7) of the Comptroller and Auditor General (Amendment) Act, 1993.

Basis of Account

The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. The Account shows the actual amounts received and paid in the year. Where further amounts are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.

Receipts and Repayments

Receipts and repayments are recognised on a cash basis except as noted below;

- a. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.
- b. In order to apportion certain Income Tax receipts to the relevant taxhead, an estimated percentage is applied. This apportionment affects PAYE, PRSI, USC and LPT receipts. Once the relevant returns are filed a review of the estimate is conducted and the receipts re-apportioned as appropriate.
- c. Customs duties are collected on an agency basis on behalf of the EU and are recognised on a gross receipts basis except for Customs Duties collected under an EU Customs Procedure Centralised Clearance (previously known as Single Authorisation for Simplified Procedures (SASP)). These receipts are shown net of the collection costs. See Note 1 *2.
- d. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
- e. Customs and Excise payments are retained as deposits and recognised as receipts when the appropriate returns are filed, with the exception of Excise Licences which are on a cash receipts basis. Deposits held are accounted for in the Statement of Balances.
- f. Included in Excise receipts are amounts collected by other agencies on behalf of the Revenue Commissioners as follows:
 - The Courts Service (Excise Licences)
 - Applus+ Car Testing Service Ltd (Vehicle Registration Tax).

A charge is levied by Applus+ Car Testing Service Ltd for the collection of Vehicle Registration Tax. The charge is funded from Voted expenditure and accounted for in the annual Appropriation Account of Vote 9.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

- g. The VAT Mini One Stop Shop (VAT MOSS) scheme came into operation on 1 January 2015 in line with VAT place of supply rules for businesses who make supplies of telecommunications, broadcasting or electronically supplied services to consumers.

The receipts comprise Irish VAT receipts disclosed in Note 1 and amounts collected on behalf of other EU Member States disclosed in Note 2.

Up to 1 January 2019, the Member State collecting the VAT retained a proportion of receipts collected, this ceased at that date. These amounts are accounted for quarterly in arrears and are recognized as VAT receipts and disclosed in Note 1.

- h. Non exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States are as follows:

- Social Insurance Fund (Pay Related Social Insurance and Health Levy)
- Department of Health (Tobacco Levy)
- Risk Equalisation Fund (Health Insurance Levy)
- Environment Fund (Environmental Levy on Plastic Bags)
- Department of Jobs, Enterprise and Innovation (Employment and Training Levy)
- Commissioners of Irish Lights (Lighthouse Dues)
- Department of Finance (Nursing Home Support Scheme payments and Miscellaneous Revenue for Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Companies' Registration Fees)
- Insurance Compensation Fund (Insurance Compensation Fund Levy)
- EU Member States (VAT Mini One Stop Shop scheme)
- Department of Housing, Planning & Local Government (Local Property Tax)

A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags, Lighthouse Dues, Nursing Home Support Scheme payments and the Insurance Compensation Fund levy. Charges are levied on customers who apply for a VRT repayment under the Export Repayment Scheme. Amounts received in respect of these charges are accounted for as Appropriations-in-Aid of Vote 9.

Cash at bank and in hand

Cash at bank and in hand represents the total cash in both commercial and Central Bank accounts adjusted to take account of unrepresented cheques and timing differences.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Amounts Awaiting Receipting and Allocation

- a. Taxes and Duties are for the most part paid in the first instance into accounts held by Revenue in commercial banks. In most cases full accounting instructions are known at the time of payment and payments are receipted onto a customer record and transferred to the Exchequer. Unallocated Tax Deposits (UTD) includes payments transferred to the Exchequer as part of the Total Transfers in Note 6 for which customer records have yet to be updated. It also includes receipts which cannot at the year end be allocated to either a taxhead or taxpayer record. In some instances, if sufficient information has not been received within 5 years, the amounts are recognised as a tax receipt and removed from the UTD balance reported in the Account. UTD also include payments made on account during tax audits and audit settlements as well as non audit payments for which accounting instructions have not been completed.
- b. Tax receipts awaiting transfer and allocation are amounts received to commercial accounts which have not been transferred to the Central bank at the year end.
- c. Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners are amounts received by the Revenue Commissioners and will be brought to account as Appropriations-in-Aid of Vote 9, Office of the Revenue Commissioners.

Deposits Held

- a. Deposits held under Criminal Justice Act 1994 relate to money seized under the Act and held on deposit pending court proceedings.
- b. Deposits held with C&E collectors represent amounts received in lieu of Bank Guarantees or pending Bank Guarantees.
- c. Deposits held for C&E Liabilities represent amounts received for Customs and Excise transactions in advance of the relevant returns being received. These deposits are surrendered to the Exchequer at 31 December as part of Excise Duty transfers in Note 6.

Balance owing from Exchequer

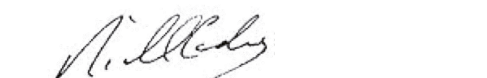
The balance owing from the Exchequer represents amounts transferred to the Exchequer not yet recorded as receipts and the balance of amounts held in commercial accounts awaiting allocation and transfer to the Exchequer.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Account of the Receipt and Disposal of Revenue collected

	Notes	2019 €000	2018 €000
Gross Receipts			
Exchequer Receipts	1	68,272,740	63,131,175
Non Exchequer Receipts	2	15,982,125	14,137,374
Total Gross Receipts of Revenue Collected		84,254,865	77,268,549
Repayments			
Repayment of Exchequer Receipts	3	(9,960,686)	(8,498,662)
Repayment of Non Exchequer Receipts	4	(152,300)	(60,133)
Total Repayments		(10,112,986)	(8,558,795)
Net Receipts			
Exchequer Receipts	5	58,312,054	54,632,513
Non Exchequer Receipts	7	15,829,825	14,077,241
Total Net Receipts of Revenue Collected		74,141,879	68,709,754
Disposal of Net Receipts			
Receipts transferred to the Exchequer	6	(58,351,495)	(54,580,975)
Receipts transferred to other Departments/Agencies/EU Member States	7	(15,819,736)	(14,142,494)
Total Disposal of Net Receipts of Revenue Collected		(74,171,231)	(68,723,469)
Net Receipts retained at year end		(29,352)	(13,715)
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(419,755)	(406,040)
Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December		(449,107)	(419,755)

The Accounting Policies and Notes 1 to 11 form part of this Account.



Niall Cody
Accounting Officer
Office of the Revenue Commissioners



Brian Boyle
Accountant General
Office of the Revenue Commissioners

16 April 2020

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Statement of Balances

	Notes	2019 €000	2018 €000
Assets			
Cash at Bank and in Hand	8	84,094	68,090
Amounts due from Government Departments	9	768	2,614
Total Assets		84,862	70,704
Liabilities			
Amounts Awaiting Receipting and Allocation	10	(132,344)	(158,514)
Deposits Held	11	(401,625)	(331,945)
Total Liabilities		(533,969)	(490,459)
Net Liabilities		(449,107)	(419,755)
Represented by:			
Closing Balance on the Account of Receipt and Disposal of Revenue			
Balance owing from the Exchequer	6	(474,543)	(435,102)
Balance owing to other Departments/Agencies/EU Member States	7	25,436	15,347
		(449,107)	(419,755)

The Accounting Policies and Notes 1 to 11 form part of this Account.



Niall Cody
Accounting Officer
Office of the Revenue Commissioners



Brian Boyle
Accountant General
Office of the Revenue Commissioners

16 April 2020

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Notes to the Account

Note 1. Exchequer Receipts collected	2019 €000	2018 €000
Income Tax	25,590,694	23,469,722
Value Added Tax	20,934,572 ^{*1}	19,340,210
Corporation Tax	12,337,199	11,442,132
Excise Duty	5,892,738	5,476,418
Stamp Duties	1,541,324	1,525,299
Capital Gains Tax	1,106,007	1,023,474
Capital Acquisitions Tax	529,153	527,387
Customs Duty	341,053 ^{*2}	326,533
	68,272,740	63,131,175

*1 This figure includes the following receipts relating to The VAT Mini One Stop Shop scheme;

	2019 €000	2018 €000
VAT collected in the State proper to Ireland	7,396	3,635
VAT collected by other Member States proper to Ireland	67,401	54,059
Retention amounts on VAT collected for 2018 by the State for EU Member States	67,576	242,245
	142,373	299,939

*2 Customs Duty receipts are reported net of collection costs of €36m (€34.6m, 2018) allowed under Centralised clearance (previously SASP). €18m (€17.3m, 2018) was transferred to other EU Member States and €18m (€17.3m, 2018) was transferred to Vote 9 and recorded as Appropriations-in-Aid.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Notes to the Account

Note 2. Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States

	2019 €000	2018 €000
Pay Related Social Insurance and Health Levy	12,398,356 * ¹	11,208,354
VAT Mini One Stop Shop Scheme	2,006,634	1,430,087
Health Insurance Levy	757,721	737,603
Local Property Tax	479,486 * ²	488,244
Tobacco Excise Receipts	167,605 * ³	167,605
Insurance Compensation Fund Levy	132,054 * ⁴	69,040
Nursing Home Support Scheme (includes Miscellaneous receipts)	27,693	22,568
Environmental Levy on Plastic Bags	5,466	6,943
Lighthouse Dues	7,052	6,818
Employment and Training Levy	58	112
	15,982,125	14,137,374

*1 Includes an amount of €0.06m collected for the Health Levy in 2019 (2018 €2.6m). These represent residual amounts collected following cessation of Health Levy in January 2011.

*2 The Local Property Tax (LPT) net collection figure of €473m (receipts of €479m less repayments of €6m) is broken down into €25m for Household Charge arrears and LPT liabilities for years 2012 to 2018 inclusive, €384m for LPT liabilities in respect of 2019 and €64m for LPT liabilities in respect of 2020.

*3 Tobacco Excise Receipts of €167.6m are presented as non Exchequer receipts as they are paid direct to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

*4 The 2019 figure for the Insurance Compensation Fund Levy of €132m includes €33m relating to the period 2016-2018. An online payment system introduced in 2016 did not allow insurance companies to provide a breakdown between stamp duty payments and payments that related to the Insurance Compensation Fund. As a result, receipts processed for a small number of insurers using this payment method were classified on receipt in the period 2016-2018 as stamp duty receipts. The amounts have been reclassified as Insurance Compensation Fund receipts in 2019.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Notes to the Account

Note 3. Repayment of Exchequer Receipts

	2019 €000	2018 €000
Income Tax	(2,652,442)	(2,172,103)
Value Added Tax	(5,767,230)	(5,132,397)
Corporation Tax	(1,449,912)	(1,055,543)
Excise Duty	(27,444)	(43,418)
Stamp Duties	(26,360)	(62,432)
Capital Gains Tax	(29,724)	(27,910)
Capital Acquisitions Tax	(7,566)	(4,853)
Customs Duty	(8)	(6)
	(9,960,686)	(8,498,662)

Note 4. Repayment of Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States

	2019 €000	2018 €000
Pay Related Social Insurance and Health Levy	(146,131)	(53,250)
Local Property Tax	(5,636)	(5,641)
VAT Mini One Stop Shop Scheme	(452)	(1,116)
Nursing Home Support Scheme (includes Miscellaneous receipts)	(75)	(63)
Environmental Levy on Plastic Bags	(6)	(63)
	(152,300)	(60,133)

Note 5. Net Exchequer Receipts

	Gross Receipts 2019 €000	Repayments 2019 €000	Net Receipts 2019 €000	Net Receipts 2018 €000
Income Tax	25,590,694	(2,652,442)	22,938,252	21,297,619
Value Added Tax	20,934,572	(5,767,230)	15,167,342	14,207,813
Corporation Tax	12,337,199	(1,449,912)	10,887,287	10,386,589
Excise Duty	5,892,738	(27,444)	5,865,294	5,433,000
Stamp Duties	1,541,324	(26,360)	1,514,964	1,462,867
Capital Gains Tax	1,106,007	(29,724)	1,076,283	995,564
Capital Acquisitions Tax	529,153	(7,566)	521,587	522,534
Customs Duty	341,053	(8)	341,045	326,527
	68,272,740	(9,960,686)	58,312,054	54,632,513

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Notes to the Account

Note 6. Receipts Transferred to the Exchequer

	Balance owing to/(from) Exchequer at 1.1.19 €000	Net Receipts €000	Total Transfers €000	Balance owing to/(from) Exchequer at 31.12.19 €000
Income Tax	(43,695)	22,938,252	(22,934,492)	(39,935)
Value Added Tax	(34,574)	15,167,342	(15,117,604)	15,164
Corporation Tax	(594)	10,887,287	(10,887,572)	(879)
Excise Duty	(325,127)	5,865,294	(5,940,367)	(400,200)
Stamp Duties	(22,636)	1,514,964	(1,514,914)	(22,586)
Capital Gains Tax	(3,040)	1,076,283	(1,075,056)	(1,813)
Capital Acquisitions Tax	-	521,587	(532,980)	(11,393)
Customs Duty	(5,436)	341,045	(348,510)	(12,901)
	(435,102)	58,312,054	(58,351,495)	(474,543)

Note 7. Receipts transferred to other Departments/Agencies/EU Member States

	Balance due at 1.1.19 €000	Net Receipts €000	Total Transfers €000	Balance due at 31.12.19 €000
Pay Related Social Insurance and Health Levy	13,119	12,252,225	(12,244,872)	20,472
VAT Mini One Stop Shop Scheme	1,670	2,006,182	(2,005,549)	2,303
Health Insurance Levy	-	757,721	(757,721)	-
Local Property Tax	(30)	473,850	(473,415)	405
Tobacco Excise Receipts	-	167,605	(167,605)	- *1
Insurance Compensation Fund Levy	-	132,054	(130,089)	1,965
Nursing Home Support Scheme (includes Miscellaneous receipts)	608	27,618	(27,945)	281
Environmental Levy on Plastic Bags	8	5,460	(5,462)	6
Lighthouse Dues	-	7,052	(7,052)	-
Employment and Training Levy	(28)	58	(26)	4
	15,347	15,829,825	(15,819,736)	25,436

*1 The amount of €167,605,000 was paid from the proceeds of Tobacco Excise Receipts to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2019

Notes to the Account

Note 8. Cash at Bank and in Hand

	2019 €000	2018 €000
Balance in Revenue Accounts held at Central Bank	27,643	(14,543)
Balance in Revenue Accounts held at Commercial Banks	71,789	98,291
Unpresented Cheques	(15,443)	(15,730)
Cash in Hand	105	72
	84,094	68,090

Note 9. Amounts due from Government Departments

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

Note 10. Amounts Awaiting Receipting and Allocation

	2019 €000	2018 €000
Unallocated Tax Deposits	(80,721)	(80,730)
Tax receipts awaiting transfer and allocation	(51,530)	(77,632)
Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners	(93)	(152)
	(132,344)	(158,514)

Note 11. Deposits Held

	2019 €000	2018 €000
Deposits held under Criminal Justice Act 1994	(2,471)	(2,848)
Deposits held with C&E Collectors	(8,202)	(4,727)
Deposits held for C&E liabilities due after 31 December	(390,952)	(324,370)
	(401,625)	(331,945)

2019 Table Index

Table 1: Total Gross Exchequer and Non Exchequer Receipts	89
Table 2: Total Net Exchequer Receipts	90
Table 3: Volume of Business	91
Table 4: Customer Service Standards & Results	92
Table 5: Average Percentage of Tax Collected Within the Due Month (by Tax)	93
Table 6: Return/Payment Compliance by Case Size	93
Table 7: Collection Enforcement Programmes in 2019	93
Table 8: Debt Management Service	93
Table 9: Oversight of Corporate and Personal Insolvency	93
Table 10: Relevant Opinions Provided to Companies and Other Entities	94
Table 11: Audit and Compliance Intervention Activity	94
Table 12: Random Audits Completed 2019 v 2018	95
Table 13: Summary of Selected Sectoral Intervention Results	95
Table 14: Publications	96
Table 15: Publications by Selected Sector	96
Table 16: Drug Seizures	96
Table 17: Excisable Products Seized	97
Table 18: Cash Seizures	97
Table 19: Cash Forfeiture Orders	97
Table 20: Prosecutions for Serious Evasion	97
Table 21: Civil Penalties for Not Filing Returns	97
Table 22: Mutual Assistance Requests	98
Table 23: Mutual Agreement Procedures (MAPs)	98
Table 24: Advance Pricing Agreements (APAs)	98
Table 25: Percentage breakdown of female staff in each grade at end 2019 and 2013	98
Table 26: FOI Requests	99
Table 27: Internal & External Reviews	99
Table 28: Complaints Relating to Revenue Completed by the Ombudsman	99
Table 29: Compliance with Prompt Payment of Accounts Act	100
Table 30: Training 2019	100
Table 31: Irish Tax Institute – Professional Qualifications	100
Table 32: University of Limerick 3rd Level Qualifications	101

Table 1: Total Gross Exchequer and Non Exchequer Receipts

Category	2019 €m	2018 €m
Exchequer Receipts		
Income Tax	25,591	23,470
Value-Added Tax	20,935	19,340
Corporation Tax	12,337	11,442
Excise	5,893	5,476
Stamp Duties	1,541	1,525
Capital Gains Tax	1,106	1,023
Capital Acquisitions Tax	529	527
Customs	341	327
Non Exchequer Receipts		
Gross Receipts Collections on behalf of other Departments / Agencies*	15,982	14,137
Total	84,255	77,268

Note: Any apparent discrepancies in totals are due to rounding of constituent figures.

* Gross Receipts collected on behalf of other Departments / Agencies include such receipts as Pay Related Social Insurance (PRSI) and Local Property Tax (LPT).

Table 2: Total Net Exchequer Receipts

Duties Taxes & Levies	2019 Net Receipts €m	2019 Budget Estimates €m	2019 Net Receipts +/- Budget Estimates €m	2018 Net Receipts €m
Taxes on Income				
PAYE Income Tax	15,777	15,600	177	14,475
PAYE USC	3,275	3,300	-25	3,197
Total PAYE Taxes	19,052	18,900	152	17,672
Self Assessed Income Tax	2,014	2,004	10	1,760
Self Assessed USC	522	576	-54	541
Total Self Assessed Tax	2,536	2,580	-44	2,301
Life Assurance Exit Tax	128	194	-66	165
Deposit Interest Retention Tax	64	103	-39	96
Professional Services Withholding Tax	696	683	13	663
Dividend Withholding Tax	408	377	31	353
Income Levy	1	0	1	0
Other Income Taxes*	54	68	-14	46
Net Yield – Taxes on Income	22,940	22,905	35	21,296
VAT on Imports	1,974	1,955	19	1,871
Internal VAT	13,194	13,185	9	12,336
Total Value Added Tax	15,168	15,140	28	14,207
Excise	5,865	6,108	-243	5,433
Corporation Tax	10,887	9,480	1,407	10,387
Stamp Duty on Shares	399	503	-104	473
Stamp Duty on Property	717	749	-32	660
Other Stamp Duty	398	423	-25	330
Total Stamp Duties	1,514	1,675	-161	1,463
Capital Gains Tax	1,076	1,000	76	996
Capital Acquisitions Tax	522	495	27	523
Customs	341	365	-24	327
Total	58,312	57,168	1,144	54,632

Note: Any apparent discrepancies in totals are due to rounding of constituent figures

** Other income taxes comprises of Net Relevant Contracts Tax and Back Duty.*

Table 3: Volume of Business

Activity	Volume in 2019	% Change 2019 v 2018
PAYE Employments	3,183,789	8%
Self Assessment Income Tax Registrations	793,221	9%
Company Registrations	211,931	5%
VAT Registrations	256,005	-2%
LPT properties	1.915m	0%
RCT Contract Notified to Revenue	665,233	48%
RCT Payments Notified to Revenue	1,622,895	59%
No. of electronic payments made to Revenue	2,642,401	9%
Value of electronic payments made to Revenue	€64.8b	0.2%
No. of electronic repayments made to taxpayers	1,312,083	19%
Value of electronic repayments made to taxpayers	€8.2b	18%
No. of Returns received	5,773,776	-23%
Telephone Calls Answered*	2,480,858	11%
Correspondence Dealt with (includes online enquiries)	1,524,472	4%

**Includes 268,693 answered calls in respect of Local Property Tax handled by an external service & 446,037 calls answered on the Business Taxes line.*

Table 4: Customer Service Standards & Results

Service	Standard	Delivery
Online Registrations		
ROS for Business	Authentication process completed within one working day	100%
myAccount	100% of online registrations completed within ten working days	100%
IT, CT, PREM	100% of online registrations completed within 3 working days	100%
VAT	100% of online registrations completed within 10 working days	51%
RCT	100% of online registrations completed within 10 working days	78%
Returns, Declarations and Refunds		
ROS Returns and Declarations	100% processed within 2 working days	100%
ROS Refunds	100% issued within 5 working days	100%
Non-ROS returns, declarations, applications	100% within 20 working days.	68%
Non-ROS repayments or offsets	100% within 20 working days.	87%
Direct Customer Contact		
Correspondence	100% within 30 working days.	86%
Telephone Service	100% answered within 5 minutes	62%
My Enquiries	100% dealt with within 20 working days	77%
Public Office visit	Average wait time no more than 10 minutes	76%
Revenue Technical Service	Reply received within 20 working days	30%
Complaints	100% processed within 20 working days	51%
Tax Clearance		
Application for Standards in Public Office Tax Clearance Certificates	100% processed within 5 working days	100%

Table 5: Average Percentage of Tax Collected Within the Due Month (by Tax)

Taxhead	2019
PAYE/PRSI	99%
VAT	98%
Income tax (Non PAYE)	98%
Capital Gains Tax	91%
Corporation Tax	98%
Relevant Contract Tax	98%

Table 6: Return/Payment Compliance by Case Size

Case Size	Due Month Compliance 2019	Due Month+1 Compliance 2019
Large Cases	95%	99%
Medium Cases	92%	98%
Other Cases	81%	91%

Table 7: Collection Enforcement Programmes in 2019

Enforcement	No. of Cases	No. of Referrals	Value of Referrals €m	Yield €m
Solicitor	6,600	8,511	139.9	41.5
Sheriff	51,169	72,697	420.9	190.2
Attachment	5,953	7,574	135.0	42.5
Total	63,722	88,782	695.8	274.2

Table 8: Debt Management Service*

Activity	2019
Payments Requests/Estimates Issued	574,470
Final Demands Issued	355,240
Taxpayer Application for Phased Payment Facilities Processed	4,950
Referrals for Enforcement	88,782

* Service launched in March 2019

Table 9: Oversight of Corporate and Personal Insolvency

Activity	2019
Companies wound-up via Creditor Voluntary Liquidations	425
Creditor Meetings Attended	187
Revenue petitions to High Court for Appointment of a Liquidator	25
Receiverships	82
Examinerships	28
Revenue petitioned bankruptcies	9

Table 10: Relevant Opinions Provided to Companies and Other Entities

Category of Opinion	Number 2019
Trading	3
Reconstructions and amalgamations	20
Exemption from tax in respect of gains on certain share disposals	2
Elections to Tonnage Tax Scheme	3
Availability of interest relief for loans applied to acquire share capital in, or provide loan finance to, a trading company or a company holding shares in a trading company	1
Withholding taxes	46
Stamp Duty	84
Capital Gains Tax	9
Close company surcharges	6
Corporation Tax	18
Miscellaneous	2
Total	194

Table 11: Audit and Compliance Intervention Activity

Type of Intervention	Completed 2019	Yield €m	Completed 2018	Yield €m
Comprehensive Audits	1,628	103.7	2,696*	119.5
Multi Tax/Duty Audits	466	24.2	648	27.8
Single Tax/Duty/Issue/Transaction Audits	935	94.7	1,391	108.3
Total Audit Interventions	3,029	222.6	4,735	255.6
Aspect Query	77,442	288.4	83,266	278.5
Profile Interview	2,742	15.7	5,078	19.2
Appraisals (no further action)	84,983		96,704	
Assurance Checks	375,367	7.05	356,813	7.2
PAYE Checks	22,719	13.9	34,161	11.6
Total Non-Audit Investigations	563,253	325.05	576,022	316.5
Total Interventions	566,282	547.65	580,757	572.1

* Includes investigations counted as comprehensive audits

Table 12: Random Audits Completed 2019 v 2018

Category	2019 Programme	2018 Programme*
Sample Size	150	1,300
Completed	70	1,188*
Total Yield	€472	€999,141
With Yield	2	173
Nil Yield	22	352

Of the 1,300 cases chosen in 2018, 663 were not escalated to beyond appraisal which account for the difference between completed cases and those with and without a yield.

* 230 of the completed 2018 programme cases were completed in 2019.

Table 13: Summary of Selected Sectoral Intervention Results

Sector	No. of Audits/ Investigations	Yield €m	Risk Management Interventions (RMIs)	Yield €m	Total Interventions	Total Yield €m
Accounting, Bookkeeping and Auditing Activities	42	1.6	571	4.1	613	5.7
Construction	388	14.9	13,663	26.3	14,051	41.2
Doctors	56	5.5	281	2.3	337	7.8
Solicitors, Barristers and Other Legal Activities	48	1.7	423	3.5	471	5.2
Pubs	64	13.4	1,689	2.4	1,753	15.8
Rental	183	13.8	3,642	42.0	3,825	55.8
Restaurants and Fast Food Outlets	94	2.8	2,413	2.6	2,507	5.4
Retailers	256	25.6	6,351	23.9	6,607	49.5
Wholesalers	210	6.6	5,373	13.0	5,583	19.6
Totals	1,341	85.9	34,406	120.1	35,747	206.0

Note: These results are included in the overall results on Table 12. This table presents a sample of sectors in alphabetical order.

Table 14: Publications

Period	Number and Total of Settlements in €m		Number less than or equal to €100k	Number between €100k and €500k	Number between €500k and €1 million	Number greater than €1 million	Number and Total of Court determined penalties €k	
Q1	62	€21.1	46	12	2	2	8	€392.06
Q2	43	€9.8	22	15	6	0	9	€591.07
Q3	36	€8	23	8	3	2	1	€37.58
Q4	45	€19.8	26	14	3	2	5	€347.63
Total	186	€58.7	117	49	14	6	23	€1,368.34

Table 15: Publications by Selected Sector

Sector	Publications
Amusement/Casino Operators	4
Company Directors	21
Construction & Related Trades / Property Developers	25
Couriers	4
Farmers / Agricultural Services	6
Hauliers	6
IT / Computer/Business Consultants	10
Landlords/ Short-term accommodation	12
Medical Consultants & Related Services	8
Motor Dealers / Related Trades	10
Professionals / PAYE Employees	24
Publicans / Restaurateurs / Take Away Food Suppliers	21
Retailers	15

A single publication case may fall into more than one sector e.g. someone described as Company Director/Landlord will appear as Company Director and as a Landlord in the table. This table presents a sample of sectors in alphabetical order.

Table 16: Drug Seizures

Type of Drug	No. of Seizures	Quantity (kg)	Value (€m)
Cannabis (Herbal & Resin)	2,284	515	10.0
Cocaine, Heroin	231	64	4.56
Amphetamines, Ecstasy & other	7,764	2,650	9.07
Total	10,279	3,229	23.63

Table 17: Excisable Products Seized

Product	No. of Seizures	Quantity	Value €m
Cigarettes	3,263	13.4m	8.6
Tobacco	1,474	3,564kg	2.0
Alcohol (Beer, Spirits & Wine)	1,386	543,194 litres	3.3
Illicit Mineral Oil	24	99,895 litres	-
Oil Laundries	-	-	-
Vehicles*	1,565	1,566	12.4

* Vehicles seized for marked mineral oil offences, Vehicle Registration Tax offences and because of use in connection with alleged offences under Customs or Excise law

Table 18: Cash Seizures

	2019	2018	% Change 2019 vs. 2018
No. of Seizures	52	78	-33.3%
Value (€m)	809,896	1,050,902	-22.9%

Table 19: Cash Forfeiture Orders

	2019	2018	% Change 2019 vs. 2018
No. of Forfeiture Orders	37	55	-32.7%
Value (€m)	587,367	1,282,486	-54.2%

Table 20: Prosecutions for Serious Evasion

During 2018	Total
No. of ongoing investigations	61
No. of cases referred to DPP	14
No. of cases for which DPP issued directions	8
No. of cases before the Courts	26
No. of convictions obtained	15
No. of summary criminal convictions	679
Total fines imposed €m	€2,792,551

Table 21: Civil Penalties for Not Filing Returns

Non Filing Programme	Cases	Fines
P35 Penalty Programme	602	€2.4m
VAT Penalty Programme	102	€0.4m

Table 22: Mutual Assistance Requests

Mutual Assistance Requests	Received 2019	Received 2018	Sent 2019	Sent 2018	Closed in 2019	To Hand End 2019
From/To EU Member States	1,292	1,558	538	549	1,488	657
From/To Other Countries	71	82	17	25	58	52
Total	1,363	1,640	555	574	1,546	709
Europol Request	538	327	117	177	655	0

Table 23: Mutual Agreement Procedures (MAPs)

	Opening Inventory 01/01/2019	Initiated	Completed	Ending Inventory 31/12/2019
Transfer pricing cases	36*	12	5	43
Other non-transfer pricing cases	21	28	6	43
Total	57	40	11	86

* The number of cases in the MAP inventory on 1 January 2019 is one less than the number of cases in the MAP inventory on 31 December 2018 because one case, filed as a protective MAP in the treaty party jurisdiction during 2018, is considered by both treaty partners not to be an initiated case for statistical purposes.

Table 24: Advance Pricing Agreements (APAs)

Opening Inventory 01/01/2019	Requests Received in 2019	Granted in 2019	Withdrawn by taxpayer in 2019	Ending Inventory 31/12/2019	APAs in force as of 01/01/2019	APAs in force as of 31/12/2019
23	10	2	2	29	3	3

Table 25: Percentage breakdown of female staff in each grade at end 2019 and 2013

Grade	2019	2013
A. Secretary	33	13
PO	50	28
AP	52	36
AO/HEO	53	49
EO/SO	65	66
CO	69	74
SVO	6	7
Total	63	62.3

Table 26: FOI Requests

Category	2019	2018
Received	337	328
Full Release	60	52
Partial Release	191	156
Refused	84	72
Dealt with Outside of FOI/Withdrawn/Transferred	37	21
Request for Internal Review	28	24
Appeal to the Information Commissioner	10	3

Table 27: Internal & External Reviews

Case Details	Internal	External	Total
Requests brought forward	0	5	5
Cases admitted in year	2	11	13
Total	2	16	18
Number finalised in year	0	11	11
Decision in favour of customer	0	0	0
Decision against customer	0	8	8
Decision revised/partly revised	0	1	1
Discontinued	0	2	2
On hands at year-end	2	5	7

Table 28: Complaints Relating to Revenue Completed by the Ombudsman

Total Completed and Outcome	Number of Complaints
Upheld	16
Partially upheld	0
Not upheld	16
Assistance provided	5
Discontinued/Withdrawn	4
Discontinued premature	1
Outside remit	0
Total	42

Table 29: Compliance with Prompt Payment of Accounts Act

Payment Made	Number	Value €	% of Total No. of Payments made
Within 15 Days	15,540	145,595,919	91.98
Within 16-30 Days	1,321	6,717,174	7.82
In Excess of 30 Days	33	55,101	0.20
Total	16,894	152,368,193	100
Additional Information	Number	Value €	
Late payment interest paid in 2018	28	361	
Compensation costs paid in 2018	28	1390	
Average days taken to make payment	9	-	

Table 30: Training 2019

Training Category	Training Days Delivered
Audit Programme Training	13,857
Customer Services/Technical Taxes	9,723
Technical Customs & Excise	11,689
Computer/IT/Systems	1,419
Management/Soft Skills/Online courses	3,599
Collection & Compliance	1,201
Health & Safety	1,353
UL Degree Training Days	1,553
Continuous Personal Professional Development	1,385
One Learning Training	636
Total	46,415

Table 31: Irish Tax Institute – Professional Qualifications

Award Category	No. of awards 2019	No. of awards 2018
Certificates	249	214
Tax Technician	48	68
Diploma in Tax	50	45
Chartered Tax Adviser	4	7
Total	351	334

Table 32: University of Limerick 3rd Level Qualifications

Award Category	No. of awards 2019	No. of awards 2018
Diploma in Applied Taxation	169	135
BA (Hons) in Applied Taxation	24	23
Customs Certificates	18	16
MBA	3	2
Total	214	176

Appendix 1 - Donation of Heritage Items

Donation of Heritage Items

Section 1003 of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage items to the national collections. The following items were donated in 2019

- Frisby Irish Silverware Collection Part 2, valued at €2,200,000
- Collection of Irish Silver, valued at €460,000
- Fewer Irish Silver Collection Part 2, valued at €400,000

The tax credit available to the donor of heritage items is an amount equal to 80% of the market value of such items, where the market value is established under the terms of section 1003. The value shown is the market value of the items.

Donation of Heritage Property to the Irish Heritage Trust/Commissioners of Public Works in Ireland

Section 1003A of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage property to the Irish Heritage Trust or the Commissioners of Public Works in Ireland. The tax credit available to the donor of a heritage property is an amount equal to 50% of the market value of the property, where the market value is established under the terms of section 1003A.

There were no donations under this scheme in 2019.

Appendix 2 - Record of properties occupied by Revenue during 2019

To note: The Office of Public Works (OPW) is responsible for the provision of Revenue's accommodation.

County	Building	Address
Carlow	Revenue Commissioners	Staplestown Road, Carlow
Clare	Revenue Commissioners	Enterprise House, Estuary West, Cappagh Road, Kilrush
Clare	Revenue Commissioners	Passenger Terminal, Shannon Airport
Clare	Revenue Commissioners	Government Offices, Kilrush Road, Ennis
Cork	Revenue Commissioners	C&E Office, 1st Floor, Irish Distillers, Middleton
Cork	Revenue Commissioners	C&E Office No. 7, Whitegate Refinery, Whitegate
Cork	Revenue Commissioners	Boland's Mills, Fitz's Boreen, New Mallow Road
Cork	Revenue Commissioners	Marino House, WolfeTone Square, Bantry
Cork	Revenue Commissioners	Revenue House, Assumption Rd Blackpool Cork
Cork	Revenue Commissioners	CentrePoint, Unit 4 Marina Commercial Park, Centre Park Road
Cork	Revenue Commissioners	Tivoli & Ringaskiddy Cork City Quays, Passage West and Youghal
Cork	Revenue Commissioners	Passenger Terminal, Cork Airport
Donegal	Revenue Commissioners	48-50 Lower Main Street, Letterkenny
Donegal	Revenue Commissioners	Storage Facility/Warehouse, Bonagee, Letterkenny
Donegal	Revenue Commissioners	C&E Office, Pier Buildings Killybegs Co. Donegal
Donegal	Revenue Commissioners	National Prosecution & Seizures Office, Aras Ailigh, Bridgend
Donegal	Revenue Commissioners	Donegal Public Service Centre, Drumlonagher, Donegal Town
Donegal	Revenue Commissioners	Government Buildings, High Road, Letterkenny
Dublin	Revenue Commissioners	Revenue Museum, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Blocks 8-10 & Castle Cross Blocks, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Damastown, Damastown Industrial Estate, Mulhuddart Dublin 15
Dublin	Revenue Commissioners	Treasury Building, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Knockmaun House, 42 - 47 Lower Mount Street, Dublin 2
Dublin	Revenue Commissioners	Ship Street Gate, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Cargo Terminal, Dublin Airport
Dublin	Revenue Commissioners	Lansdowne House, Lansdowne Rd, Dublin 4
Dublin	Revenue Commissioners	85/93 Lower Mount St, Dublin 2
Dublin	Revenue Commissioners	Dublin Port & New Customs House, Promenade Road, Dublin 3
Dublin	Revenue Commissioners	O'Connell Street Buildings, 9/15 O'Connell St, Dublin 1

County	Building	Address
Dublin	Revenue Commissioners	An Post Mail Centre, Oak Rd, Knockmitten, Dublin 22
Dublin	Revenue Commissioners	St. John's House, High St, Tallaght Dublin 24
Dublin	Revenue Commissioners	The Plaza Complex, Belgard Road, Tallaght, Dublin 24
Dublin	Revenue Commissioners	Castle View, 52-57 South Great Georges St, Dublin 2
Dublin	Revenue Commissioners	Dublin Castle Data Centre, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Data Centre, St.John's Rd West, Dublin 8
Dublin	Revenue Commissioners	Revenue Warehouse, Unit 1 Airways Industrial Estate, Cloghran, Dublin 17
Dublin	Revenue Commissioners	Block 22, Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	Revenue Print Centre, Unit H, Furry Park, Santry, Dublin 9
Dublin	Revenue Commissioners	Revenue Warehouse, 35-184 Shanowen Rd, Santry, Dublin 9
Dublin	Revenue Commissioners	The State Warehouse, Bond Drive Extension, Dublin 1
Dublin	Revenue Commissioners	Ashtown Gate, Block D, Ashtown Gate, Dublin 15
Dublin	Revenue Commissioners	Ballaugh House, 73-79 Lower Mount St, Dublin 2
Dublin	Revenue Commissioners	Esso House (Storage Facility) Alexandra Road, Dublin 1
Dublin	Revenue Commissioners	Bishop's Square 1st Floor Bishop's Square, Redmond's Hill, Dublin 2
Dublin	Revenue Commissioners	Stamping Building Dublin Castle, Dublin 2
Dublin	Revenue Commissioners	C&E Office 111 Lr Georges St., Dun Laoghaire
Dublin	Revenue Commissioners	Tax Appeals Comm, 2nd Flr Fitzwilliam Court, Dublin 2
Dublin	Revenue Commissioners	D'Olier House D'Olier St, Dublin 2
Dublin	Revenue Commissioners	Passenger Terminals, Dublin Airport
Galway	Revenue Commissioners	Geata Na Cathrach, Fairgreen, Galway
Galway	Revenue Commissioners	Storage Facility/Warehouse Unit 1 Parkmore Ind. Estate, Parkmore
Kerry	Revenue Commissioners	Government Offices, Mill Lane, Listowel
Kerry	Revenue Commissioners	Government Offices, Spa Road, Tralee
Kildare	Revenue Commissioners	Athy Business Campus, Castlecomer Rd, Athy
Kilkenny	Revenue Commissioners	Hebron House, McDonagh Junction, Kilkenny
Kilkenny	Revenue Commissioners	Government Offices, Hebron Road, Kilkenny
Laois	Revenue Commissioners	An Post Mail Centre, Clonminam Industrial Estate, Portlaoise
Laois	Revenue Commissioners	Government Offices, Portlaoise.
Limerick	Revenue Commissioners	C + E, Foynes Port, Limerick
Limerick	Revenue Commissioners	Government Offices, Bishop Street, Newcastle West
Limerick	Revenue Commissioners	Sarsfield House, Francis St, Limerick
Limerick	Revenue Commissioners	Rhebogue Warehouse, Unit 6&7, Park Rd, Limerick
Limerick	Revenue Commissioners	Storage Facility/Warehouse Corcanree Business Park, Dock Road

County	Building	Address
Limerick	Revenue Commissioners	C&E Office, The Pier, Foynes
Limerick	Revenue Commissioners	River House, Charlotte Quay, Limerick
Louth	Revenue Commissioners	Revenue House, Coes Rd, Dundalk
Louth	Revenue Commissioners	Government Offices, Millennium Buildings, Dundalk
Mayo	Revenue Commissioners	Ireland West Airport, Customs Control Area, Knock
Mayo	Revenue Commissioners	Government Offices, Michael Davitt House, Breaffy Road, Castlebar
Mayo	Revenue Commissioners	Storage Facility/Warehouse, Unit 1, N5 Business Park, Moneen, Castlebar
Meath	Revenue Commissioners	Abbey Buildings, Abbey Road, Navan
Monaghan	Revenue Commissioners	Storage Facility/Warehouse Coolshannagh, Monaghan
Monaghan	Revenue Commissioners	M:TEK II Building, Armagh Rd, Monaghan
Offaly	Revenue Commissioners	Government Offices, Clonminch, Tullamore
Offaly	Revenue Commissioners	RAET Offices Clonminch, Tullamore
Offaly	Revenue Commissioners	Storage Facility/Warehouse, Cappincur, Tullamore
Roscommon	Revenue Commissioners	Government Offices, Convent Road, Roscommon
Sligo	Revenue Commissioners	The Custom House, Custom House Quay Sligo
Sligo	Revenue Commissioners	Storage Facility/Warehouse Unit 5, Finisklin Ind. Estate
Sligo	Revenue Commissioners	Government Offices, Cranmore Rd, Sligo
Tipperary	Revenue Commissioners	Government Offices, St.Conlon's Rd, Nenagh
Tipperary	Revenue Commissioners	Government Offices, Stradavoher, Thurles
Waterford	Revenue Commissioners	Government Offices, The Glen, Waterford
Waterford	Revenue Commissioners	Trade Facilitation, Terminal Building, Belview Port
Waterford	Revenue Commissioners	Frank Cassin Wharf, Waterford
Westmeath	Revenue Commissioners	Government Offices, Pearse Street, Athlone
Westmeath	Revenue Commissioners	An Post Mail Centre, Dublin Rd, Athlone
Wexford	Revenue Commissioners	Government Offices, Anne Street, Wexford
Wexford	Revenue Commissioners	Central Vehicles Office, (CVO) Devereux Buildings, Rosslare Harbour
Wexford	Revenue Commissioners	Customs (Trade Facilitation) & Enforcement, Terminal Building, Rosslare Harbour
Wicklow	Revenue Commissioners	Government Offices, The Murrough, Wicklow
Wicklow	Revenue Commissioners	Harbour Office, North Quay, Wicklow

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